JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF KENTUCKY

Regular Session of 1982

Volume II

Held in the State Capitol in the Capital City of Frankfort, at
Frankfort, in the Year of Our Lord 1982, and
in the One Hundred and Ninetieth
Year of the Commonwealth

Begun on the Fifth Day of January, 1982, and Adjourned
Sine Die on the Fifteenth Day of April, 1982

Paid from State Funds

FOREWORD

The Constitution requires each house of the General Assembly to keep a Journal of its proceedings. The Journal is intended to assure a public account of legislative activity and constitutes the final official record of action by the General Assembly.

Under the provisions of Section 6.161, 6.162 and 57.151 of the *Kentucky Revised Statutes,* the Legislative Research Commission is responsible for comparing, editing, correcting, and publishing the Journals as approved by each house of the General Assembly. This volume represents the fulfillment of this obligation for the House of Representatives of 1982.

The text of a bill is spread in full when it receives a first reading. The roll call on passage of a bill is indicated upon its receipt of a third reading, or upon concurrence by the originating house in amendments by the second house. Simple and concurrent resolutions are printed on first reading when applicable or when adopted, and joint resolutions are treated as bills. A table of actions on bills and resolutions is appended.

Mrs. Shan Stone Gray, Mrs. Jeanne Wallace, Ms. Ann Seppenfield and Ms. Sharon G. May prepared the 1982 House Journal. The edited copy and index found in this volume reflect the cooperative efforts of the commission's staff.

VIC HELLARD, JR.
Director

The Capitol
Frankfort, Kentucky
1982

FRIDAY, MARCH 12, 1982

FORTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend John L. Hunt, South Frankfort Presbyterian Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 11, 1982, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SR 34.**

Banking and Insurance: **SB 308.**

Business Organizations and Professions: **SB 376.**

Education: **HR 84.**

Energy: **HR 85, HR 86.**

Judiciary-Civil: **SB 294.**

State Government: **SB 131, SB 168.**

Report of Committees

The Committee on Rules reported **HB 229, HB 436, HB 289, HB 429, HB 465, HB 483, HB 513, HB 598, HB 745, HB 756, HB 370, HB 503, HB 587, HB 631, HB 658, HB 660, HB 683, HB 731, SB 54, SB 72, SB 180, SB 191,** and **SB 237** have been posted for passage in Orders of the Day, March 15, 1982.

The Committee on Rules reported the following Bills have been recommitted.

Appropriations and Revenue: **HB 92, HB 456, HB 279, SB 65.**

State Government: **HB 267.**

The Committee on Judiciary-Civil reported **HB 246,** with Committee Amendment attached thereto, and **HB 495,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 246, AN ACT relating to security services for courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 23A.090 is amended to read as follows:

(1) *Except in counties containing a city of the second class,* the sheriff of the county in which the circuit court is sitting shall provide such deputies and ordinary equipment as the chief circuit judge shall deem necessary to provide security services to the court and its facilities.

(2) The sheriff shall be compensated for these duties at rates to be determined by law.

(3) In counties containing a city of the second class, a bailiff shall be appointed by each circuit judge to serve during the judge's term of office to provide security services to the court and its facilities. The bailiff shall be an employe of the administrative office of the courts and covered by the Kentucky employes' retirement system. The bailiff shall have the powers of peace officers, including the right to carry a weapon while on duty.

Section 2. KRS 24A.140 is amended to read as follows:

(1) *Except in counties containing a city of the second class,* when sessions of district court are held in:

(a) The county courthouse or other county-owned facility;
(b) Urban-county facilities;
(c) State-owned, leased, or controlled facilities;
(d) Special district facilities; or
(e) Private facilities;

the sheriff shall be responsible for attending court, keeping order, and providing the same services to district court as are provided to the circuit court.

(2) The sheriff shall be compensated for these services in the same manner and at the same rates as for similar services rendered to the circuit court.

(3) *In counties containing a city of the second class, when sessions of district court are held in the facilities listed in subsection (1) of this section, a bailiff shall provide security services to the court and its facilities. A bailiff shall be appointed by each district judge to serve during the judge's term of office. The bailiff shall be an employe of the administrative office of the courts and covered by the Kentucky employes' retirement system. The bailiff shall have the powers of peace officers, including the right to carry a weapon while on duty.*

(4) When sessions of district court are held in city facilities the city police or city marshal, as appropriate, shall be responsible for attending court, keeping order, and providing the same services to district court as are provided by the sheriff to circuit court. Compensation for these services shall be the same as allowed to the sheriff as provided in subsection (2) of this section.

(5)[~~(4)~~] If the administrative office of the courts determines that the provision of services by any law enforcement officer or agency named herein would place an undue burden on such officer or agency the administrative office of the courts may arrange with any other law enforcement officer or agency in the Commonwealth to provide such services. Compensation shall be as provided in subsection (2) of this section.

Committee Amendment No. 1 to **HB 246:**

Amend printed copy of **HB 246** on page 1, line 12, by deleting the following: "*appointed by each circuit judge*"; and

on page 1, line 13, by deleting the following: "*to serve during the judge's term of office*"; and by substituting in lieu thereof the following: "*assigned pursuant to workload as determined by the administrative office of the courts*"; and

on page 2, line 20, by deleting the following: "*A bailiff shall be appointed by each*"; and

on page 2, line 21, by deleting line 21 in its entirety; and

on page 2, line 22, by deleting "*office.*"; and

on page 2, line 22, by inserting in lieu thereof the following: "*Bailiffs shall be assigned pursuant to workload as determined by the administrative office of the courts.*".

HB 495, AN ACT relating to the construction of mineral deeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

The purposes of this Act are as follows:

(1) To facilitate and require the demonstration of a clear understanding between the owners of surface and mineral estates in land concerning their respective rights to use and occupy or injure the surface of the land;

(2) To protect the security of titles to land and improvements thereto;

(3) To promote the free alienability of land;

(4) To prevent hardship and injustice to surface or mineral owners arising from uncertainty of the law;

(5) To promote the conservation and the full and efficient use of all natural resources of the state, including the land, the making of improvements to the land, the growth of agriculture, the development of new industry and the general economic well-being of the state and its people;

(6) To codify a rule of construction for mineral deeds relating to coal extraction so as to implement the intention of the parties at the time the instrument was created; and

(7) To foster certainty and uniformity in the operation of the law.

SECTION 2. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

In any instrument heretofore or hereafter executed purporting to sever the surface and mineral estates or to grant a mineral estate or to grant a right to extract minerals, which fails to state or describe in express and specific terms the method of coal extraction to be employed, or where said instrument contains language subordinating the surface estate to the mineral estate, it shall be held, in the absence of clear and convincing evidence to the contrary, that the intention of the parties to the instrument was that the coal be extracted only by the method or methods of coal extraction commonly known to be in use in Kentucky in the area affected at the time the instrument was executed, and that the mineral estate be dominant to the surface estate only for the purposes of coal extraction by the method or methods of coal extraction commonly known to be in use in Kentucky in the area affected at the time the instrument was executed, but no restriction shall be placed on the method of extracting coal if the operator, as defined in KRS Chapter 350, obtains the written consent to mine from at least seventy-five percent (75%) of the surface owners in the area of land affected, as defined in KRS Chapter 350, and the operator places into an escrow account an amount for the benefit of each non-consenting surface owner equal to the highest royalty, damages, or other land use fee paid to a consenting surface owner.

SECTION 3. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

For the purpose of this Act, "method" and "methods" mean underground, surface, auger, or open pit mining and nothing in this Act shall be interpreted to adversely affect the use of modern equipment or machinery.

SECTION 4. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:

In any deed in which the minerals are severed from the surface, the present owners of the surface rights may enter into a written agreement directing how the surface shall be reclaimed, and how the property shall be left after the extraction of the minerals, and in compliance with federal rules and regulations.

Committee Amendment No. 1 to **HB 495:**

Amend printed copy of **HB 495** on page 2, line 17, by inserting before "*coal*" the word "*commercial*";

and on page 2, line 22, by inserting before "*coal*" the word "*commercial*";

and on page 2, line 24, by deleting the comma and inserting in lieu thereof a period; and

on page 2, line 24, by deleting "*but no restriction shall be placed on the*";

and on page 2, by deleting lines 25 and 26 in their entirety; and

on page 3, by deleting lines 1 through 6 in their entirety; and

on page 3, line 12, by inserting before the period "*with respect to mining methods permitted under Section 2 of this Act*"; and

on page 3, by deleting lines 13 through 20 in their entirety.

The Committee on State Government reported **HB 213,** with Committee Substitute attached thereto, and **HB 510,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 213, AN ACT relating to personal services contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.700 is amended to read as follow:

(1) As used in KRS 45.705 to 45.720:

(a) "Contracting body" means each state board, bureau, commission, department, division, authority, university, college, officer, or other entity, except the legislature, authorized by law to contract for personal services;

(b) *"Governmental emergency" means an unforeseen event or set of circumstances which creates an immediate need for services, which is necessary for maintainance of governmental operations or to prevent or minimize injury or damage.*

(c) "Subcommittee" means personal service contract review subcommittee;

(d)[~~(c)~~] "Personal service contract" means an agreement whereby an duties, professional or otherwise for a specified period of time for a price agreed upon, which are exempted from competitive bidding pursuant to KRS 45.360. This definition does not apply to agreements with public utilities.

(2) Compliance with the provisions of KRS 45.705 to 45.720 does not dispense with the requirements of any other law necessary to make the personal service contract valid.

Section 2. KRS 45.710 is amended to read as follows:

(1) No *one shall begin work on a* personal service contract made by any contracting body after July 15, *1982* [~~1980~~], *except as provided in subsection (5) of this section,* [~~shall become effective~~] until after three (3) copies of the personal service contract are filed with the legislative research commission. Each service contract shall have a cancellation clause not to exceed thirty (30) days' notice to the contractee.

(2) Each copy of a proposed personal service contract submitted to the legislative research commission shall be accompanied by documentation of:

(a) The need for such service; and

(b) The unavailability of state personnel to perform such service or the non-feasibility of utilizing state personnel to perform such service.

(3) The legislative research commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, with suitable indexes.

(4) Payment on contracts submitted to the subcommittee shall not be made before completion of the review procedure provided for in KRS 45.715 unless the secretary of the department of finance determines that the time involved with the normal review procedure would cause a detrimental effect upon the state's ability to act or to procure services. Payment shall not be made until notification and explanation of the reasons for this action is forwarded to the subcommittee along with the personal service contract for which emergency payment is deemed necessary.

(5) In the event of a governmental emergency, work may begin prior to filing three (3) copies of the personal services contract with the legislative research commission providing that the normal process will not accommodate the emergency.

(6) If an emergency exists and work is authorized to begin immediately, three (3) copies of a statement, approved by the secretary of finance, setting forth in detail the nature of the emergency shall be filed with the three (3) copies of the personal services contract.

Committee Substitute to **HB 213:**

HB 213, AN ACT relating to personal services contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.700 is amended to read as follow:

(1) As used in KRS 45.705 to 45.720:

(a) "Contracting body" means each state board, bureau, commission, department, division, authority, university, college, officer, or other entity, except the legislature, authorized by law to contract for personal services;

(b) *"Governmental emergency" means an unforeseen event or set of circumstances which creates an immediate need for services, which is necessary for maintenance of governmental operations or to prevent or minimize injury or damage.*

(c) "Subcommittee" means personal service contract review subcommittee;

(d)[~~(c)~~] "Personal service contract" means an agreement whereby an individual, firm, partnership or corporation is to perform certain duties, professional or otherwise for a specified period of time for a price agreed upon, which are exempted from competitive bidding pursuant to KRS 45.360. This definition does not apply to agreements with public utilities, *foster care parents, medicaid providers, individuals performing homemaker services, transit authorities, agreements between a state agency and a state college or university, agreements between a state agency and an area development district, agreements between a state agency and a community action agency, agreements between a state agency and a mental health/mental retardation board, agreements between a state agency and another state agency and agreements between a state agency and a political subdivision.*

(2) Compliance with the provisions of KRS 45.705 to 45.720 does not dispense with the requirements of any other law necessary to make the personal service contract valid.

Section 2. KRS 45.710 is amended to read as follows:

(1) No *one shall begin work on a* personal service contract made by any contracting body after July 15, *1982* [~~1980~~], *except as provided in subsection (5) of this section,* [~~shall become effective~~] until after three (3) copies of the personal service contract are filed with the legislative research commission. Each service contract shall have a cancellation clause not to exceed thirty (30) days' notice to the contractee.

(2) Each copy of a proposed personal service contract submitted to the legislative research commission shall be accompanied by documentation of:

(a) The need for such service; and

(b) The unavailability of state personnel to perform such service or the non-feasibility of utilizing state personnel to perform such service.

(3) The legislative research commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, with suitable indexes.

(4) Payment on contracts submitted to the subcommittee shall not be made before completion of the review procedure provided for in KRS 45.715 unless the secretary of the department of finance determines that the time involved with the normal review procedure would cause a detrimental effect upon the state's ability to act or to procure services. Payment shall not be made until notification and explanation of the reasons for this action is forwarded to the subcommittee along with the personal service contract for which emergency payment is deemed necessary.

(5) In the event of a governmental emergency, work may begin prior to filing three (3) copies of the personal services contract with the legislative research commission providing that the normal process will not accommodate the emergency.

(6) If an emergency exists and work is authorized to begin immediately, three (3) copies of a statement, approved by the secretary of finance, setting forth in detail the nature of the emergency shall be filed with the three (3) copies of the personal services contract.

HB 510, AN ACT relating to libraries and archives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 171.240 is amended to read as follows:

(1) In the department of library and archives there shall be a state board for the certification of librarians, composed of the *state librarian* [~~director of the department of library and archives~~] and five (5) members appointed by the governor from a list submitted by the board of directors of the Kentucky library association. Two members shall be full-time professional librarians in active public library work, two shall be public library trustees and one shall be a professional librarian from a department or school of library science in a state university.

(2) The term of office of each appointive member shall be four (4) years. The first appointive member of the board shall be appointed for terms beginning July 1, 1938; one for a term of one (1) year; one (1) for a term of two (2) years; one (1) for a term of three (3) years; and two (2) for terms of four (4) years. Vacancies shall be filled by appointment for the unexpired terms in the same manner as original appointments are made. The members shall receive twenty-five dollars ($25) per day for each meeting attended and reimbursement for actual and necessary expenses, incurred in attending meetings.

(3) The board shall hold at least one (1) meeting each year at a time fixed by the board, and such special meetings as may be determined by the board. A chairman and secretary shall be elected at each annual meeting to serve during the ensuing year.

Section 2. KRS 171.410 is amended to read as follows:

As used in KRS 171.410 to 171.740:

(1) "Records" means all books, papers, maps, photographs, *cards, tapes, disks, recordings,* and other documentary materials, regardless of physical form or characteristics, made or received by any agency of the state government in pursuance of the state law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of data contained therein.

(2) "Department" means the department of library and archives.

(3) "Commission" means the state archives and records commission.

(4) "Agency" means every state or local office, state department, division, bureau, board, commission and authority; every legislative board, commission, committee and officer; every county and city governing body, council, school district board, special district board, municipal corporation, and any board, department, commission, committee, subcommittee, ad hoc committee, council or agency thereof; and any other body which is created by state or local authority and which derives at least twenty-five percent (25%) of its funds from state or local authority.

Section 3. KRS 171.420 is amended to read as follows:

The state archives and records commission, is hereby created and shall be *an eleven (11)* [~~a fifteen (15)~~] member body constituted as follows: The state librarian, who shall be the chairman of the commission, secretary of the cabinet for education and *humanities* [~~arts~~], the auditor of public accounts, the chief justice of the *supreme* court [~~of appeals~~], the director of the legislative research commission, the attorney general, the director of the office for policy and management, one (1) member appointed by the governor from a list of *nine (9)* [~~three (3)~~] persons *including one (1)* submitted by the president of *each state university* [~~the University of Kentucky~~], one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky historical society, [~~one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky library association, one (1) member appointed by the governor from a list of seven (7) persons with one (1) name submitted by each of the presidents of the state universities and colleges,~~] and *two (2)* [~~four (4)~~] citizens-at-large. Vacancies shall be filled by the governor in the same manner as initial appointments are made. All members shall serve for a term of four (4) years, provided that one (1) of the initial appointments shall be for a term of four (4) years, one (1) for three (3) years, one (1) for two (2) years and one (1) for one (1) year. The commission shall advise the department of library and archives on matters relating to archives and records *management* [~~, and questions on destruction of records as set out in KRS 171.670~~]. *The commission shall have the authority to review and approve schedules for retention and destruction of records submitted by state and local agencies. In all cases, the commission shall determine questions which relate to destruction of public records; their decision is binding on the parties concerned and final, except that the commission may reconsider or modify its actions upon the agreement of a simple majority of the membership present and voting.*

Section 4. KRS 171.440 is amended to read as follows:

The commission shall meet in the city of Frankfort, but the commission may, by majority vote, hold special or regular meetings in other locations when the work of the commission would be facilitated thereby. The commission shall hold not less than four (4) meetings during each calendar year and may hold such special meetings as may be necessary to transact the business of the commission. All meetings shall be called by the [~~director when directed by the~~] chairman, or when requested in writing by any two (2) members of the commission.

Section 5. KRS 171.450 is amended to read as follows:

(1) The department shall establish:

(a) Procedures for the compilation and submission to the department of lists and schedules of public records proposed for disposal;

(b) Procedures for the disposal or destruction of public records authorized for disposal or destruction;

(c) Standards for the reproduction of public records by photographic or microphotographic process;

(d) Procedures for collection and distribution by the central depository of all reports and publications, except the Kentucky Revised Statutes editions, issued by any department, board, commission, officer or other agency of the commonwealth for general public distribution after July 1, 1958.

(2) The department shall enforce the provisions of KRS 171.410 to 171.740 by appropriate rules and regulations.

(3) The department shall make copies of such rules and regulations available to all officials affected by KRS 171.410 to 171.740 subject to the provisions of KRS chapter 13.

(4) [~~It is intended that such rules and regulations be drawn in cooperation with the various state agencies and subdivisions.~~] Such rules and regulations when approved by the department shall be binding on all state and local agencies, subject to the provisions of KRS chapter 13. The department shall perform any acts deemed necessary, legal and proper to carry out the duties and responsibilities imposed upon it pursuant to the authority granted herein.

Section 6. KRS 171.470 is amended to read as follows:

The department is authorized to make continuing surveys of government records and records management and disposal practices and to obtain reports thereon from state and local agencies. *Professional staff of the department is authorized to develop* [~~; to promote, in cooperation~~] with [~~the various~~] state and local agencies[~~;~~] improved records management practices and controls *which are compatible with modern archieval standards and facilitate* [~~in such agencies, including the~~] central storage or disposition of records not needed by such agencies for their current use[~~; and to report to the governor semiannually. The department shall submit a biennial report to the general assembly~~].

Section 7. KRS 171.530 is amended to read as follows:

The *commission* [~~department~~] shall establish standards for the selective retention of records of continuing value, and *the department shall* assist state and local agencies in applying such standards to records in their custody. The department shall notify the head of any such agency of any actual, impending, or threatening unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that has come to its attention, and *initiate* [~~assist the head of such agency in initiating~~] action through the *agency head or* attorney general for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

Section 8. KRS 171.670 is amended to read as follows:

When there is a question whether a particular record or group of records should be destroyed, the *commission shall have exclusive authority to* [~~department shall~~] decide whether or not the record or group of records are to be destroyed.

Section 9. KRS 171.990 is amended to read as follows:

(1) Any person or Library Board violating any of the provisions of KRS 171.240 to 171.300 shall be fined not less than ten nor more than one hundred dollars for each offense.

(2) The Board for Certification of Librarians may revoke the certificate of any person violating any of the provisions of KRS 171.240 to 171.300, or any of the regulations as established by the Board for Certification.

(3) Any person knowingly violating the provisions of KRS 171.450, 171.560, 171.670, 171.710, or 171.720 is guilty of a class A misdemeanor and may also be liable for damages or losses incurred by the Commonwealth. Any state employe who knowingly violates these provisions shall also be subject to dismissal from state employment upon a determination of fact, at a hearing, that a serious violation did occur. The employe's right to appeal to the state personnel board is not abridged or denied. In the event of an appeal, the decision of the state personnel board is final.

(4) State employes dismissed under the provision of subsection (3) of KRS 171.990 shall have the right to reapply for state employment in accordance with state personnel rules governing dismissal. Such individuals shall have the full rights and privileges accorded under applicable equal opportunity laws.

Section 10. KRS 173.040 is amended to read as follows:

(1) As soon as practicable after the passage of the ordinance providing for a free public library, the mayor shall appoint twelve (12) trustees. The appointments shall be made for four (4) year terms except that the original appointees shall be so appointed that the terms of three (3) members shall expire each year. Each appointee must be, at the time of his appointment, a taxpayer and qualified voter in the city and must have resided therein for two (2) years prior to his appointment. The mayor shall continue to appoint all twelve (12) trustees unless the county judge/executive becomes authorized to appoint trustees under the provisions of KRS 173.105, after which the mayor shall appoint only the trustee positions not appointed by the county judge/executive. The trustees shall serve without compensation. The twelve (12) trustees, whether appointed under this subsection or under KRS 173.105, together with the mayor of the city, shall constitute the board of trustees of the free public library, and shall be a corporation with power to make such rules and regulations to govern itself and the property entrusted to its care as it deems proper. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Vacancies in the office of trustee shall be reported by the board to the mayor, if the vacancy occurs in a trustee position filled by appointment of the mayor, or to the county judge/executive if the vacancy occurs in a trustee position which the county judge/executive has authority to fill under KRS 173.105. The vacancy shall be filled by the mayor if so authorized or the county judge/executive if so authorized under subsection (1) of this section and KRS 173.105, for the remainder of an unexpired term or for a full term if the vacancy results from the expiration of a term. The trustees shall, before entering upon the duties of office, make an oath or affirmation before a judicial officer that they will discharge their duties.

(3) At its first meeting and each year thereafter, the board shall select members of the board to serve as president and vice-president, and it may choose other necessary officers and employes, fix their duties and compensation, and remove them at pleasure.

Section 11. KRS 173.340 is amended to read as follows:

(1) The management and control of a library shall be vested in a board of trustees. In cities and counties the board shall consist of five (5) members except that in cities of the second class, it shall consist of

seven (7) members. In the event a contract for library service is made pursuant to subsection (4) of KRS 173.310, the board may consist of equal representation from the contracting parties with the total membership not to exceed twelve (12). In a library region there shall be five (5) members except if the number of counties exceeds five (5) there shall be one (1) trustee from each county in the region.

(2) Within thirty (30) days after the establishment of a library has been authorized by any of the methods authorized by KRS 173.310, a library board shall be appointed. In cities the trustees shall be appointed by the mayor and in counties they shall be appointed by the county judge/executive. There shall be established a board of trustees in each regional library district for purposes of coordinating library programs and effecting economies and efficiencies of the member county library systems. In each regional library district the trustees shall be appointed by the joint action of the judges/executive of the respective counties or as may be agreed upon by contract. In any region in which there are four (4) or less counties, provision shall be made in the contract for rotation of members and an equitable adjustment of terms. If a region consists of an even number of counties, the trustees appointed by the judges/executive of the respective counties shall appoint an additional trustee whose term of office shall be four (4) years and whose successor shall be appointed by the trustees in office at the time of expiration of such term. Trustees shall be appointed from the governmental unit at large with special reference to their fitness for such office. Members of the board shall be appointed as follows: two (2) members for two (2) years, one (1) member for three (3) years, and two (2) members for four (4) years respectively, and thereafter trustees shall be appointed to serve four (4) years. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. Vacancies shall be filled for the unexpired terms as soon as possible in the same manner as the original appointments. In the event that vacancies have existed for a period of at least six (6) months, the governor of the Commonwealth of Kentucky, upon the recommendation of the state librarian, may make such necessary appointments. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(3) A library trustee shall not receive a salary or other compensation for services as a trustee. Before entering upon the duties of his office, a trustee shall take oath that he will faithfully discharge his duties. No board shall employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance or services for which library funds are expended.

(4) A library trustee may be removed only by vote of the legislative body of the respective governmental unit from which he was appointed.

Section 12. KRS 173.490 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, with the approval of the fiscal court, by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by KRS 65.007.

Section 13. KRS 173.730 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, with the approval of the fiscal court, by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by KRS 65.007.

Section 14. KRS 173.520 is amended to read as follows:

(1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the department of libraries. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the department of libraries for this purpose. [~~The board shall meet annually and at such other times as it deems necessary.~~]

(2) The district, as a body corporate, by and through the board may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property;

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan. The principal shall not exceed fifty percent (50%) of the anticipated revenue for the fiscal year in which the money is borrowed;

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employes and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the department of libraries.

(4) The powers set forth in this section shall not be construed to limit, restrict or modify any powers or authority granted by any other part of KRS 173.450 to 173.650 or any other law not in conflict with the provisions of this section.

Section 15. KRS 173.745 is amended to read as follows:

(1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the department of libraries. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the department of libraries for this purpose. [~~The board shall meet annually and at such other times as it deems necessary.~~]

(2) The district, as a body corporate, by and through the board may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property;

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan. [~~The interest paid shall not exceed six percent (6%) per annum and~~] The principal to be repaid annually shall not exceed fifty percent (50%) of the anticipated revenue for the fiscal year in which the money is borrowed.

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employes and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the department of libraries.

(4) The powers set forth in this section shall not be construed to limit, restrict or modify any powers or authority granted by KRS 173.710 to 173.800 or any other law not in conflict with the provisions of this section.

Section 16. KRS 173.510 is amended to read as follows:

The members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties, upon vouchers duly approved by the board, signed by the secretary and countersigned by the president. *No board shall newly employ as a member of its library staff any member of the board or any person related closer than a second cousin* *to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance, or services for which library funds are expended.*

Section 17. KRS 173.740 is amended to read as follows:

The members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties, upon vouchers duly approved by the board, signed by the secretary and countersigned by the president. *No board shall newly employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance, or services for which library funds are expended.*

Section 18. KRS 173.610 is amended to read as follows:

(1) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by submission to the voters of the district at a general election and approved by a majority of the votes cast on the issue. The board or any one hundred (100) qualified voters residing within the district may file a duly certified copy of a resolution or petition with the clerk of each county within the district at least forty-five (45) days prior to the election and the clerk shall thereupon cause the question to be placed upon the ballot in substantially the following form: "Are you in favor of increasing (or decreasing) from (insert amount) cents to (insert amount) cents on each one hundred dollars ($100) of the assessed valuation of all property in the (insert name of public library district) public library district the maximum tax which the district can impose for the maintenance and operation of (insert name of district) public library district?"

(2) Any increase provided for in subsection (1) or (3) of this section shall not exceed twenty cents (20¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by the procedure in KRS 173.790.

(4) In no event shall the maximum ad valorem tax rate of a library district established pursuant to KRS 173.740 be decreased within three (3) years of the creation of the districts.

Section 19. KRS 173.630 is amended to read as follows:

A *library* district *established pursuant to KRS 173.740 which has been in existence for at least three (3) years* may be dissolved in the following manner:

(1) Upon filing of a duly certified petition of ten percent (10%) or more of the qualified voters in the district or one hundred (100) or more qualified voters in the district, whichever is more, the fiscal court of each county in the district shall adopt a resolution submitting to the qualified voters of the district the question as to whether the district shall be dissolved. A certified copy of the order of each fiscal court shall be filed with the county clerk at least ninety (90) days prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of dissolving the (insert name of district) public library district?"

(3) If a majority of those voting on the question within the district favor the dissolution such district shall thereupon be dissolved.

Section 20. The following KRS sections are repealed:

173.590 Workshop attendance.
173.780 Attendance of librarians at meetings.

Committee Substitute to **HB 510:**

HB 510, AN ACT relating to libraries and archives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 171.410 is amended to read as follows:

As used in KRS 171.410 to 171.740:

(1) "Records" means all books, papers, maps, photographs, *cards, tapes, disks, recordings,* and other documentary materials, regardless of physical form or characteristics, made or received by any agency of the state government in pursuance of the state law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of data contained therein.

(2) "Department" means the department of library and archives.

(3) "Commission" means the state archives and records commission.

(4) "Agency" means every state or local office, state department, division, bureau, board, commission and authority; every legislative board, commission, committee and officer; every county and city governing body, council, school district board, special district board, municipal corporation, and any board, department, commission, committee, subcommittee, ad hoc committee, council or agency thereof; and any other body which is created by state or local authority and which derives at least twenty-five percent (25%) of its funds from state or local authority.

Section 2. KRS 171.420 is amended to read as follows:

The state archives and records commission, is hereby created and shall be a fifteen (15) member body constituted as follows: The state librarian, who shall be the chairman of the commission, secretary of the cabinet for education and *humanities* [~~arts~~], the auditor of public accounts, the chief justice of the *supreme* court [~~of appeals~~], the director of the legislative research commission, the attorney general, the director of the office for policy and management, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the University of Kentucky, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky historical society, one (1) member appointed by the governor from a list of three (3) persons submitted by the president of the Kentucky library association, one (1) member appointed by the governor from a list of seven (7) persons with one (1) name submitted by each of the presidents of the state universities and colleges, and four (4) citizens-at-large. Vacancies shall be filled by the governor in the same manner as initial appointments are made. All members shall serve for a term of four (4) years, provided that one (1) of the initial appointments shall be for a term of four (4) years, one (1) for three (3) years, one (1) for two (2) years and one (1) for one (1) year. The commission shall advise the department of library and archives on matters relating to archives and records *management* [~~, and questions on destruction of records as set out in KRS 171.670~~]. *The commission shall have the authority to review and approve schedules for retention and destruction of records submitted by state and local agencies. In all cases, the commission shall determine questions which relate to destruction of public records; their decision is binding on the parties concerned and final, except that the commission may reconsider or modify its actions upon the agreement of a simple majority of the membership present and voting.*

Section 3. KRS 171.440 is amended to read as follows:

The commission shall meet in the city of Frankfort, but the commission may, by majority vote, hold special or regular meetings in other locations when the work of the commission would be facilitated thereby. The commission shall hold not less than four (4) meetings during each calendar year and may hold such special meetings as may be necessary to transact the business of the commission. All meetings shall be called by the [~~director when directed by the~~] chairman, or when requested in writing by any two (2) members of the commission.

Section 4. KRS 171.450 is amended to read as follows:

(1) The department shall establish:

(a) Procedures for the compilation and submission to the department of lists and schedules of public records proposed for disposal;

(b) Procedures for the disposal or destruction of public records authorized for disposal or destruction;

(c) Standards for *recording public records and for* the reproduction of public records by photographic or microphotographic process;

(d) Procedures for collection and distribution by the central depository of all reports and publications, except the Kentucky Revised Statutes editions, issued by any department, board, commission, officer or other agency of the commonwealth for general public distribution after July 1, 1958.

(2) The department shall enforce the provisions of KRS 171.410 to 171.740 by appropriate rules and regulations.

(3) The department shall make copies of such rules and regulations available to all officials affected by KRS 171.410 to 171.740 subject to the provisions of KRS chapter 13.

(4) [~~It is intended that such rules and regulations be drawn in cooperation with the various state agencies and subdivisions.~~] Such rules and regulations when approved by the department shall be binding on all state and local agencies, subject to the provisions of KRS chapter 13. The department shall perform any acts deemed necessary, legal and proper to carry out the duties and responsibilities imposed upon it pursuant to the authority granted herein.

Section 5. KRS 171.530 is amended to read as follows:

The *commission* [~~department~~] shall establish standards for the selective retention of records of continuing value, and *the department shall* assist state and local agencies in applying such standards to records in their custody. The department shall notify the head of any such agency of any actual, impending, or threatening unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that has come to its attention, and *initiate* [~~assist the head of such agency in initiating~~] action through the *agency* *head or* attorney general for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

Section 6. KRS 171.670 is amended to read as follows:

When there is a question whether a particular record or group of records should be destroyed, the *commission shall have exclusive authority to* [~~department shall~~] decide whether or not the record or group of records are to be destroyed.

Section 7. KRS 171.990 is amended to read as follows:

(1) Any person or Library Board violating any of the provisions of KRS 171.240 to 171.300 shall be fined not less than ten nor more than one hundred dollars for each offense.

(2) The Board for Certification of Librarians may revoke the certificate of any person violating any of the provisions of KRS 171.240 to 171.300, or any of the regulations as established by the Board for Certification.

(3) Any person knowingly violating the rules and regulations of the department pursuant to the provisions of KRS 171.450, 171.560, 171.670, 171.710, or 171.720 is guilty of a class A misdemeanor and is also liable for damages or losses incurred by the Commonwealth. Any state employe who knowingly violates these provisions shall also be subject to dismissal from state employment upon a determination of fact, at a hearing, that a serious violation did occur. The employe's right to appeal to the state personnel board is not abridged or denied. In the event of an appeal, the decision of the state personnel board is final.

(4) State employes dismissed under the provision of subsection (3) of KRS 171.990 shall have the right to reapply for state employment in accordance with state personnel rules governing dismissal. Such individuals shall have the full rights and privileges accorded under applicable equal opportunity laws.

Section 8. KRS 173.040 is amended to read as follows:

(1) As soon as practicable after the passage of the ordinance providing for a free public library, the mayor shall appoint twelve (12) trustees. The appointments shall be made for four (4) year terms except that the original appointees shall be so appointed that the terms of three (3) members shall expire each year. Each appointee must be, at the time of his appointment, a taxpayer and qualified voter in the city and must have resided therein for two (2) years prior to his appointment. The mayor shall continue to appoint all twelve (12) trustees unless the county judge/executive becomes authorized to appoint trustees under the provisions of KRS 173.105, after which the mayor shall appoint only the trustee positions not appointed by the county judge/executive. The trustees shall serve without compensation. The twelve (12) trustees, whether appointed under this subsection or under KRS 173.105, together with the mayor of the city, shall constitute the board of trustees of the free public library, and shall be a corporation with power to make such rules and regulations to govern itself and the property entrusted to its care as it deems proper. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Vacancies in the office of trustee shall be reported by the board to the mayor, if the vacancy occurs in a trustee position filled by appointment of the mayor, or to the county judge/executive if the vacancy occurs in a trustee position which the county judge/executive has authority to fill under KRS 173.105. The vacancy shall be filled by the mayor if so authorized or the county judge/executive if so authorized under subsection (1) of this section and KRS 173.105, for the remainder of an unexpired term or for a full term if the vacancy results from the expiration of a term. The trustees shall, before entering upon the duties of office, make an oath or affirmation before a judicial officer that they will discharge their duties.

(3) At its first meeting and each year thereafter, the board shall select members of the board to serve as president and vice-president, and it may choose other necessary officers and employes, fix their duties and compensation, and remove them at pleasure.

Section 9. KRS 173.340 is amended to read as follows:

(1) The management and control of a library shall be vested in a board of trustees. In cities and counties the board shall consist of five (5) members except that in cities of the second class, it shall consist of seven (7) members. In the event a contract for library service is made pursuant to subsection (4) of KRS 173.310, the board may consist of equal representation from the contracting parties with the total membership not to exceed twelve (12). In a library region there shall be five (5) members except if the number of counties exceeds five (5) there shall be one (1) trustee from each county in the region.

(2) Within thirty (30) days after the establishment of a library has been authorized by any of the methods authorized by KRS 173.310, a library board shall be appointed. In cities the trustees shall be appointed by the mayor and in counties they shall be appointed by the county judge/executive. There shall be established a board of trustees in each regional library district for purposes of coordinating library programs and effecting economies and efficiencies of the member county library systems. In each regional library district the trustees shall be appointed by the joint action of the judges/executive of the respective counties or as may be agreed upon by contract. In any region in which there are four (4) or less counties, provision shall be made in the contract for rotation of members and an equitable adjustment of terms. If a region consists of an even number of counties, the trustees appointed by the judges/executive of the respective counties

shall appoint an additional trustee whose term of office shall be four (4) years and whose successor shall be appointed by the trustees in office at the time of expiration of such term. Trustees shall be appointed from the governmental unit at large with special reference to their fitness for such office. Members of the board shall be appointed as follows: two (2) members for two (2) years, one (1) member for three (3) years, and two (2) members for four (4) years respectively, and thereafter trustees shall be appointed to serve four (4) years. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. Vacancies shall be filled for the unexpired terms as soon as possible in the same manner as the original appointments. In the event that vacancies have existed for a period of at least six (6) months, the governor of the Commonwealth of Kentucky, upon the recommendation of the state librarian, may make such necessary appointments. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(3) A library trustee shall not receive a salary or other compensation for services as a trustee. Before entering upon the duties of his office, a trustee shall take oath that he will faithfully discharge his duties. No board shall employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance or services for which library funds are expended.

(4) A library trustee may be removed only by vote of the legislative body of the respective governmental unit from which he was appointed.

Section 10. KRS 173.490 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, with the approval of the fiscal court, by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by KRS 65.007.

Section 11. KRS 173.730 is amended to read as follows:

(1) One-third (⅓) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and one-third (⅓) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (⅓) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (⅓) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves, effective July 1, 1974, exclusive of present terms begun prior to that date. The members shall hold office until their respective successors are appointed and qualified. *Absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term shall constitute automatic resignation from the board by the trustee.*

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge/executive, with the approval of the fiscal court, by appointment on recommendation of the department of library and archives of two (2) names for each vacancy from the county in which the vacancy occurred.

(3) A member of the board may be removed from office as provided by KRS 65.007.

Section 12. KRS 173.520 is amended to read as follows:

(1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the department of libraries. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the department of libraries for this purpose. [~~The board shall meet annually and at such other times as it deems necessary.~~]

(2) The district, as a body corporate, by and through the board may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property;

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan. The principal shall not exceed fifty percent (50%) of the anticipated revenue for the fiscal year in which the money is borrowed;

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employes and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the department of libraries.

(4) The powers set forth in this section shall not be construed to limit, restrict or modify any powers or authority granted by any other part of KRS 173.450 to 173.650 or any other law not in conflict with the provisions of this section.

Section 13. KRS 173.745 is amended to read as follows:

(1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the department of libraries. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the department of libraries for this purpose. [~~The board shall meet annually and at such other times as it deems necessary.~~]

(2) The district, as a body corporate, by and through the board may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property;

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan. [~~The interest paid shall not exceed six percent (6%) per annum and~~] The principal to be repaid annually shall not exceed fifty percent (50%) of the anticipated revenue for the fiscal year in which the money is borrowed.

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employes and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the department of libraries.

(4) The powers set forth in this section shall not be construed to limit, restrict or modify any powers or authority granted by KRS 173.710 to 173.800 or any other law not in conflict with the provisions of this section.

Section 14. KRS 173.510 is amended to read as follows:

The members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties, upon vouchers duly approved by the board, signed by the secretary and countersigned by the president. *No board shall newly employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance, or services for which library funds are expended.*

Section 15. KRS 173.740 is amended to read as follows:

The members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties, upon vouchers duly approved by the board, signed by the secretary and countersigned by the president. *No board shall newly employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, fire insurance, or services for which library funds are expended.*

Section 16. KRS 173.610 is amended to read as follows:

(1) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by submission to the voters of the district at a general election and approved by a majority of the votes cast on the issue. The board or any one hundred (100) qualified voters residing within the district may file a duly certified copy of a resolution or petition with the clerk of each county within the district at least forty-five (45) days prior to the election and the clerk shall thereupon cause the question to be placed upon the ballot in substantially the following form: "Are you in favor of increasing (or decreasing) from (insert amount) cents to (insert amount) cents on each one hundred dollars ($100) of the assessed valuation of all property in the (insert name of public library district) public library district the maximum tax which the district can impose for the maintenance and operation of (insert name of district) public library district?"

(2) Any increase provided for in subsection (1) or (3) of this section shall not exceed twenty cents (20¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by the procedure in KRS 173.790.

Section 17. KRS 173.630 is amended to read as follows:

A *library* district *established pursuant to KRS 173.740 which has been in existence for at least three (3) years* may be dissolved in the following manner:

(1) Upon filing of a duly certified petition of ten percent (10%) or more of the qualified voters in the district or one hundred (100) or more qualified voters in the district, whichever is more, the fiscal court of each county in the district shall adopt a resolution submitting to the qualified voters of the district the question as to whether the district shall be dissolved. A certified copy of the order of each fiscal court shall be filed with the county clerk at least ninety (90) days prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of dissolving the (insert name of district) public library district?"

(3) If a majority of those voting on the question within the district favor the dissolution such district shall thereupon be dissolved.

Section 18. The following KRS sections are repealed:

173.590 Workshop attendance.
173.780 Attendance of librarians at meetings.

The Committee on State Government reported Proposed Regulation 815 KAR 20:030 with the expression that the same should be disapproved.

PUBLIC PROTECTION AND REGULATION CABINET
DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

815 KAR 20:030 License, application; examination

RELATES TO: KRS Chapter 318
PURSUANT TO: KRS 13.082, 318.010, 318.054
NECESSITY AND FUNCTION: KRS 318.040 requires the Department to conduct examinations for master and journeyman plumber applicants. KRS 318.050 was amended by the 1976 General Assembly to eliminate the fixed fees for such examinations as was shown in the previous act. The Department now has the authority to set such fees by regulation.

Section 1. Applications for Master or Journeyman Plumber's Licenses. Applications for master or journeyman plumber's licenses shall be submitted to the Department of Housing, Buildings and Construction on forms furnished by the department. Each application shall be properly notarized and accompanied by a fee of one hundred dollars ($100) if for a master plumber's license or twenty-five dollars ($25) if for a journeyman plumber's license. A signed photograph of the applicant not less than two (2) inches square nor larger than four (4) inches square taken within two (2) years shall accompany each application. Application fees shall be submitted at least two (2) weeks prior to the date of examination and remitted by post office or express money order, bank draft or certified check payable to the Kentucky State Treasurer.

Section 2. Examinations for master or journeyman plumber's license.

(1) Examination of applicants. Regular examination of applicants for master or journeyman plumber's licenses shall be conducted during the months of February, May, August and November of each year. Special examinations may be conducted at such times as the Department of Housing, Buildings and Construction may direct.

(2) Time and place of examination. Notice of the time and place of examination shall be given by the United States mail at least one (1) week prior to the date of examination to all persons having applications on file.

(3) Materials required for journeyman plumber's examination. Applicants for journeyman's plumber's licenses shall furnish the materials required for the practical examination.

Section 3. Renewals of Master and Journeyman Plumber's Licenses. (1) Renewal fees. The annual license renewal fee shall be *one hundred fifty dollars ($150)* [~~fifty dollars ($50)~~] for master plumbers and *thirty dollars ($30)* [~~twenty-five dollars ($25)~~] for journeyman plumbers.

(2) Remittance of renewal fees. Renewal fees shall be remitted by post office or express money order, bank draft, or certified check payable to the Kentucky State Treasurer.

The Committee on Transportation reported **HB 362** with Committee Amendment attached thereto, **HB 391, HB 397,** and **HB 606** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 362, AN ACT relating to traffic regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.150 is amended to read as follows:

(1) No vehicle shall be operated upon any highway unless it is so constructed as to prevent its contents from escaping.

(2) All open bed truck units hauling more than eight thousand (8,000) pounds of materials susceptible to spillage shall be covered in such a manner as to prevent spillage when operated upon a state highway.

Section 2. KRS 189.540 is amended to read as follows:

(1) The state board for elementary and secondary education by and with the advice of the state police shall adopt and enforce regulations to govern the design and operation of all school buses used for the transportation of school children when buses are owned and operated by any school district or privately owned and operated under contract with any school district. Such regulations shall by reference be made a part of such a contract with a school district. Every school district, its officers and employes and every person employed under contract by a school district shall be subject to those regulations.

(2) Any officer or employe of any school district who violates any of the regulations or fails to include obligations to comply with the regulations in any contract executed by them on behalf of a school district shall be guilty of misconduct and subject to removal from office or employment. Any person operating a school bus under contract with a school district who fails to comply with any of the regulations shall be guilty of breach of contract and his contract shall be canceled after notice and hearing by the responsible officers of such school district.

(3) In the event the ownership of a motor vehicle formerly used as a school bus is transferred, the vehicle shall not be used for any other purpose until it has been painted a color distinguishing it from school buses, and all lettering and markings identifying the vehicle as a school bus are covered or removed.

Committee Amendment No. 1 to **HB 362:**

Amend printed copy of **HB 362** on page 1, by deleting lines 1 through 9 in their entirety

and on page 1, line 10, Section 2 becomes Section 1.

HB 391, AN ACT relating to traffic regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.391 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 189.390 or any other statutes the speed limit for all types of motor vehicles on any portion of any public highway of four (4) or more traffic lanes, the opposing lanes

of which are physically separated by means other than striping, shall be fifty-five (55) miles per hour, unless the speed limits for all types of motor vehicles were less than fifty-five (55) miles per hour on November 1, 1973.

(2) The maximum speed limit on any public highway except those mentioned in subsection (1) shall be fifty-five (55) miles per hour. The department of transportation may set limits under this subsection less than fifty-five (55) miles per hour after complying with the provisions of KRS 189.390(3) but in no event shall the limit exceed fifty-five (55) miles per hour.

(3) The legislative body of each city and the county judge/executive of any county shall limit the speed of any motor vehicle on any city street or county road to fifty-five (55) miles per hour.

(4) In the event that the congress of the United States should raise or lower the speed limits as set out in subsections (1), (2) and (3), the secretary of the department of transportation shall [~~be empowered to~~] alter the speed limits on the public highways of the Commonwealth of Kentucky to comply therewith.

HB 397, AN ACT relating to motor vehicle dealers and manufacturers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 190.053 is amended to read as follows:

(1) Whenever any licensee is found to be violating any of the provisions of this chapter, or any order or rule or regulation prescribed by the bureau pursuant thereto, or is found to be permitting any of its salesmen to violate any of the provisions of this chapter, or any order, or rule or regulation prescribed by the bureau pursuant thereto, the bureau may, upon complaint or upon its own motion, issue its order to such licensee notifying it to appear before the bureau at a fixed time and place at which time and place the bureau shall have a hearing. If the bureau and the board are satisfied, after a hearing, that the licensee has violated or refused to observe any of the provisions of this chapter, or any order, or rule or regulation of the bureau, or has permitted any of its salesmen to violate any of the provisions of this chapter or any order, or rule or regulation prescribed by the bureau pursuant thereto, the bureau may suspend or revoke the license of such licensee.

(2) The bureau shall establish the following suspension and revocation schedule for dealer and manufacturer violations:

(a) First court conviction - probation period of one (1) year;

(b) Second and subsequent court convictions - thirty (30) day suspension per conviction; and

(c) Eight court convictions - revocation of dealer's license to operate.

For the purpose of suspension or revocation, if a party is convicted of multiple offenses by the court in a single appearance, said convictions shall be construed by the bureau as one offense. The revocation and suspension schedule shall be retroactive to offenses committed as of July 1, 1976, unless a dealer or manufacturer has served a suspension or revocation through previous action of the bureau.

(3) The renewal by the bureau of any license shall not be construed to be a waiver or condonement of any violation which occurred prior to such renewal and shall not prevent subsequent proceedings against the licensee therefor.

Section 2. KRS 367.990 is amended to read as follows:

(1) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.190 shall forfeit and pay to the Commonwealth a civil penalty of not more than twenty-five thousand dollars ($25,000) per violation. For the purposes of this section, the circuit court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the Commonwealth may petition for recovery of civil penalties.

(2) In any action brought under KRS 367.190, if the court finds that a person is wilfully using or has wilfully used a method, act or practice declared unlawful by KRS 367.170, the attorney general, upon petition to the court, may recover, on behalf of the Commonwealth, a civil penalty of not more than two thousand dollars ($2,000) per violation.

(3) Any person with actual notice that an investigation has begun or is about to begin pursuant to KRS 367.240 and 367.250 who intentionally conceals, alters, destroys or falsifies documentary material is subject to a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000).

(4) Any person who, in response to a subpoena or demand as provided in KRS 367.240 or 367.250, intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged, shall be subject to a fine as provided in subsection (3) of this section.

(5) The circuit court of any county in which any plan described in KRS 367.350 is proposed, operated or promoted may grant an injunction without bond, upon complaint filed by the attorney general to enjoin the further operation thereof, and the attorney general may ask for and the court may assess civil

penalties against the defendant in an amount not to exceed the sum of five thousand dollars ($5,000) which shall be for the benefit of the Commonwealth of Kentucky.

(6) Any person, business, or corporation who knowingly violates the provisions of KRS 367.540 shall be fined not less than fifty dollars ($50.00) and not more than five hundred dollars ($500) for each offense. It shall be considered a separate offense each time a magazine is mailed into the state; but it shall be considered only one (1) offense for any quantity of the same issue of a magazine mailed into Kentucky.

(7) Any solicitor who violates the provisions of KRS 367.513 or 367.515 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) or confined in the county jail for not less than one (1) month nor more than six (6) months, or both, for each offense.

(8) In addition to the penalties contained in this section, the attorney general, upon petition to the court, may recover, on behalf of the Commonwealth a civil penalty of not more than the greater of five thousand dollars ($5,000) or two hundred dollars ($200) per day for each and every violation of KRS 367.175.

(9) (a) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.665 shall forfeit and pay to the Commonwealth a penalty of not more than five thousand dollars ($5,000) per violation. For the purposes of this section, the circuit court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the Commonwealth may petition for recovery of civil penalties.

(b) The attorney general may, upon petition to a court having jurisdiction under KRS 367.190, recover on behalf of the Commonwealth from any person found to have wilfully committed an act declared unlawful by KRS 367.655 a penalty of not more than two thousand dollars ($2,000) per violation.

(10) Any dealer who fails to provide a statement under KRS 367.760 or a notice under KRS 367.765 shall be liable for a penalty of one hundred dollars ($100) per violation to be collected in the name of the Commonwealth upon action of the attorney general.

(11) Any dealer or manufacturer who falsifies a statement under KRS 367.760 shall be liable for a penalty not exceeding one thousand dollars ($1,000) to be collected in the name of the Commonwealth upon action by the attorney general.

(12) Any person who violates KRS 367.805, 367.809(2), 367.811 or 367.813(1) shall be guilty of a Class C felony.

(13) Either the attorney general or the appropriate commonwealth attorney shall have authority to prosecute violations of KRS 367.801 to 367.819.

(14) A violation of KRS 367.474 to 367.478 and 367.482 is a Class C felony. Either the attorney general or the appropriate commonwealth attorney shall have authority to prosecute violators of KRS 367.474 to 367.478 and 367.482.

(15) Any violation of KRS 367.310 shall be subject to a fine of not more than two hundred dollars ($200) for each offense.

(16) Any person, partnership or corporation upon conviction of violation of the provisions of KRS 367.850 shall be fined not less than twenty-five dollars ($25.00) or more than five hundred dollars ($500) or confined in the county jail for not more than six (6) months, or both such fine and imprisonment.

(17) Any dealer in motor vehicles or any other person who fraudulently changes, sets back, disconnects, fails to connect, or causes to be changed, set back or disconnected, the speedometer or odometer of any motor vehicle, to effect the sale of the motor vehicle shall be fined *five thousand dollars ($5,000) per violation* [~~not less than one hundred dollars ($100) nor more than three hundred dollars ($300)~~].

HB 606, AN ACT relating to the state police.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.140 is amended to read as follows:

(1) With the exceptions hereinafter specified, no officer of the bureau shall be removed, suspended, reduced in grade or pay for any reason except inefficiency, misconduct, insubordination or violation of law or of any rule or regulation promulgated by the commissioner. Any person may prefer charges in writing against any officer, which must be filed in the office of the commissioner. The charges must be signed by the person making the same, and must set out with clarity and distinction each and every charge. The commissioner, whenever probable cause appears, shall prefer charges against any officer whom he believes to have been guilty of conduct justifying his removal or punishment, in the interest of public order. Within five (5) days after the filing of charges, the commissioner shall deliver a copy thereof, personally, by certified mail, return receipt requested to the officer offending. Within five (5) days after the receipt thereof, the officer may demand public hearing, or may admit the truth of the charges in whole or in part. If the officer admits the truthfulness of the charges, the commissioner shall remove, suspend, reduce in rank or pay the officer so offending, in proportion to the seriousness of the charges.

(2) If the charges are denied and the officer demands a hearing within the time above specified, he must make his demand known to the commissioner in writing. After demand for hearing has been made, the commissioner within twenty (20) days from the date thereof shall arrange for a public hearing before a trial board to be constituted in the manner hereinafter provided. The officer defendant shall be given not less than five (5) days' notice of the time, place and hour of the hearing.

(3) Upon the hearing, all charges shall be considered traversed and put in issue, and the trial shall be confined and limited to the issues presented by the written charges. The trial board hearing the charges may summon and compel the attendance of witnesses at all hearings or sittings, by subpoena issued by the commissioner and served upon any witness by any sheriff or other person authorized by law to serve process. If any person fails to comply with any lawful order of the bureau or with process, or if any witness refuses to testify concerning any matter in which he may lawfully be interrogated, any circuit court judge, upon application of the trial board, or the commissioner, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the circuit court or a refusal to testify therein.

(4) The officer defendant shall have the right to subpoena in his behalf any witnesses he may desire, upon furnishing their names to the trial board or to the commissioner. The officer shall likewise have the right to appear in person and by counsel.

(5) All charges against the officer defendant, together with all proceedings before the trial board, shall be transcribed and reduced to writing and a permanent record kept thereof.

(6) In any instance where the commissioner has probable cause to believe that an officer has been guilty of conduct justifying his removal or punishment, he may immediately suspend the officer from duty, or from both pay and duty, pending trial, and the officer shall not be again placed on duty or allowed pay thereafter until a determination of the charges under this section.

(7) The trial board, after hearing the charges, shall fix the punishment of any officer found guilty of any one (1) or more charges, by reprimand or suspension for any length of time not to exceed six (6) months, or by reducing the grade if the officer's classification warrants same, or by combining any two (2) or more of the punishments, or by reducing the monthly salary of the officer by not more than twenty percent (20%) for not more than six (6) months, or by removing or dismissing from the service of the bureau any officer so found guilty.

(8) For the purpose of hearing charges against any officer, as hereinabove set forth, there is created a trial board; which shall consist of the commissioner and of a panel of ten (10) officers of the bureau appointed by the commissioner. The commissioner shall designate from the panel not less than three (3) nor more than seven (7) members thereof to hear charges against any officer in the manner and under the procedure above set forth. The commissioner may promulgate reasonable rules and regulations governing the procedure before the trial board, which do not conflict with this section. The panel or trial board shall be a continuing body, and the officers designated shall serve thereon in addition to their other duties and without any increase in compensation, except they may be reimbursed for meals, lodging and traveling expenses incurred while in the performance of their official duties as members of the board. Any officer defendant may for cause challenge the right of any member of the board in the trial of any action against him, and if the remaining members of the board find that the challenge is justifiable, the member of the board shall be excused from hearing the charges, and another member substituted in lieu thereof.

(9) No officer is entitled to a hearing as provided in *subsection (8) of* this section, unless his suspension is for more than twenty (20) days, or his pay reduced more than ten percent (10%); but if the officer receives more than twenty (20) days suspension or reduction in salary of more than ten percent (10%) within a period of one (1) year, he shall have the right to such hearing in the manner [~~above~~] provided *in subsection (8) of this section. In those cases where the officer is not entitled to a hearing as provided in this section, he shall be entitled to have a hearing before a board of appeals which is hereby created and shall be constituted as follows:*

(a) Each post shall each year elect one (1) officer as a member of the board of appeals and submit the name of the officer so designated to the commissioner on or before January 15 of each year. No officer who has been disciplined within a two (2) year period next preceding the election shall be eligible.

(b) The names of the sixteen (16) officers so selected shall be placed on a list. The board of appeals shall be selected from this list. Five (5) officers will be selected by random draw to hear each appeal.

(c) Any officer subjected to disciplinary proceedings under this section shall be ineligible to serve as a member of the board of appeals until his case has been fully determined.

(d) Any officer subjected to disciplinary action under this section, with the exception of a verbal or written reprimand, may initiate an appeal by filing a petition for appeal with the legal officer of the bureau of state police. The petition shall describe the action appealed from and shall state with specificity the reason why the action was unfair or inappropriate. The petition for appeal must be filed within thirty (30) days of the effective date of the action appealed from.

(e) A hearing shall be held as soon as practicable but not later than sixty (60) days after the filing of the petition for appeal. The petitioner shall be notified of the time and place of the hearing at least

ten (10) days prior to the hearing. At the time the notice is sent, the petitioner shall be provided with the current list of members of the board of appeals. He may strike from the list the names of any six (6) officers, with or without cause, and said officers shall not be eligible to sit as members of the board of appeals hearing his case. From the remaining ten (10) eligible officers or the number exceeding that in the event the petitioner fails to exercise his strikes to the extent set out herein, there shall be a random draw of five (5) officers. These five (5) officers shall constitute the board of appeals hearing the case.

(f) The petitioner may be represented by counsel at the hearing, which shall be closed to all but the participants.All testimony shall be under oath. The proceedings shall be recorded. Strict rules of evidence shall not apply. All evidence relevant to the issues raised by the petition is admissible, including hearsay evidence. The board shall not have the power to subpoena witnesses or records, except that any employe or officer of the bureau of state police may be required to attend and testify. Any document of record in the custody or control of the bureau of state police shall be admissible, if relevant. Members of the board may examine witnesses and may cause documents or records to be produced.

(g) The board of appeals may affirm, reverse, or modify the action appealed from, upon the vote of any three (3) board members concurring.

(h) In addition to having the jurisdiction referred to herein in those disciplinary matters mentioned herein, the board of appeals shall likewise have the right and authority to hear appeals from any officer of the rank of trooper, senior trooper, or sergeant who has received an unrequested transfer of duty assignment that required a change of residence. In such cases the board of appeals shall determine whether the unrequested transfer was for administrative reasons and justified or whether the unrequested transfer constitutes disciplinary action under this section. The same procedures set out herein shall be followed by all board of appeals hearings relating to unrequested transfers requiring a change of residence.

(10) Any civilian employe may be discharged, suspended or reduced in pay at any time by the commissioner, pursuant to KRS Chapter 18.

(11) Any officer appointed to the bureau shall be considered on probation for a period of one (1) year from and after the date of his appointment, and during that period may be discharged or suspended or reduced in rank or pay, with or without cause, by the commissioner. The rights conferred upon an officer for a hearing, as provided in this section, shall not accrue until such officer has been employed by the bureau for a period of one (1) year or more.

The Committee on Judiciary-Civil reported **HB 282,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 282, AN ACT relating to adoption.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 199.011 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Secretary" means the secretary for human resources.

(2) "Department" means the department for human resources.

(3) "Bureau" means the bureau for social services.

(4) "Child" means any person who has not reached his eighteenth birthday.

(5) "Dependent child" means any child who is under improper care, control, or guardianship that is not due to the negligence of the parent or guardian, provided that the child is not an abused or neglected child.

(6) "Abused or neglected child" means a child whose health or welfare is harmed or threatened with harm when his parent, guardian or other person who has the permanent or temporary care, custody or responsibility for the supervision of the child: inflicts or allows to be inflicted upon the child, physical or mental injury to the child by other than accidental means; creates or allows to be created a risk of physical or mental injury to the child by other than accidental means; commits or allows to be committed an act of sexual abuse upon the child; willfully abandons or exploits such child; does not provide the child with adequate care and supervision; food, clothing and shelter; education; or medical care necessary for the child's well-being; provided, however, that a parent or guardian legitimately practicing his religious beliefs who thereby does not provide specified medical treatment for a child, for that reason alone shall not be considered a negligent parent or guardian. This exception, however, shall not preclude a court from ordering that medical services be provided to the child, where his health requires it.

(7) *"Adult adopted person" means any person who is eighteen (18) years of age or older.*

(8) "Child-caring facility" means any institution or group home other than a state facility, or one certified by an appropriate agency as operated primarily for educational or medical purposes providing residential care on a twenty-four hour basis to children, not related by blood, adoption or marriage to the person maintaining the facility.

(9)[~~(8)~~] "Child-placing agency" means any agency other than a state agency which supervises the placement of children in foster family homes or child-caring facilities, or which places children for adoption.

(10)[~~(9)~~] "Child welfare worker" means an employe of the department designated as such by the secretary for human resources or social worker employed by a county or city who has been approved by the department to handle, under its supervision, services to children.

(11)[~~(10)~~] "Boarding home or foster parent" as used in subsection (5) of KRS *199.603* [~~199.607~~] means persons who board children held in custody by the department.

(12)[~~(11)~~] "Foster family home" means a private home in which children are placed for foster family care under supervision of the department or of a licensed child-placing agency.

(13)[~~(12)~~] "Group home" means a homelike facility for not more than eight (8) foster children, not adjacent to or part of an institutional campus, operated by a sponsoring agency for children who may participate in community activities and use community resources.

(14)[~~(13)~~] "Institution" means a child-caring facility providing care or maintenance for nine (9) or more children.

(15)[~~(14)~~] "Family" rehabilitation home" means a child-caring facility for appropriate families and comprising not more than twelve (12) children and two (2) staff persons.

Section 2. KRS 199.011, 1980 Acts Chapter 280, effective July 1, 1982, is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Secretary" means the secretary for human resources.

(2) "Department" means the department for human resources.

(3) "Child" means any person who has not reached his eighteenth (18th) birthday.

(4) *"Adult adopted person" means any person who is eighteen (18) years of age or older.*

(5) "Child-caring facility" means any institution or group home other than a state facility, or one certified by an appropriate agency as operated primarily for educational or medical purposes providing residential care on a twenty-four (24) hour basis to children, not related by blood, adoption or marriage to the person maintaining the facility.

(6)[~~(5)~~] "Child-placing agency" means any agency other than a state agency which supervises the placement of children in foster family homes or child-caring facilities, or which places children for adoption.

(7)[~~(6)~~] "Child welfare worker" means an employe of the department designated as such by the secretary for human resources or social worker employed by a county or city who has been approved by the department to handle, under its supervision, services to children.

(8)[~~(7)~~] "Institution" means a child-caring facility providing care or maintenance for nine (9) or more children.

Section 3. KRS 199.520 is amended to read as follows:

(1) After hearing the case the court shall enter a judgment of adoption, if it finds that the facts stated in the petition were established; that all legal requirements, including jurisdiction, relating to the adoption have been complied with; that the petitioners are of good moral character, of reputable standing in the community and of ability to properly maintain and educate the child, and that the best interest of the child will be promoted by the adoption and that the child is suitable for adoption. In the judgment the name of the child shall be changed to conform with the prayer of the petition. The judgment and all orders required to be entered and recorded in the order book, including the caption, shall contain only the names of the petitioners and the proposed adopted name of the child, without any reference whatsoever to its former name or the names of its birth parents.

(2) Upon entry of the judgment of adoption, from and after the date of the filing of the petition, the child shall be deemed the child of petitioners and shall be considered for purposes of inheritance and succession and for all other legal considerations, the natural, legitimate child of the parents adopting it the same as if born of their bodies. Except where a *biological* [~~natural~~] parent is the spouse of an adoptive parent an adopted child from the time of adoption shall have no legal relationship to its birth parents in respect to either personal or property rights.

(3) The clerk of the court shall notify the department of any action of the court with respect to entering a judgment granting an adoption, the amendment of an adoption, or the denial or dismissal of a petition for adoption.

(4) (a) The health history of biological parents and blood relatives of the adopted person, in writing, on a standardized form, provided by the department, if known, shall be given by the department or child-placing agency which has such information, to the adoptive parents and to the circuit court not later than the date of finalization of the adoption proceedings.

(b) The information provided for in paragraph (a) of this subsection, if known, shall, upon the request in person or in writing of the adult adopted person be made available in writing to such person. None of the information shall be made available if it is of such a nature that it would tend to identify the biological parents of such adopted person except as provided in Sections 4 and 5 of this Act.

Section 4. KRS 199.570 is amended to read as follows:

(1) The files and records of the court during adoption proceedings shall not be open to inspection by persons other than parties to such proceedings, their attorneys, and representatives of the department except under order of the court expressly permitting inspection. Upon the entry of the final order in the case, the clerk shall place all papers and records in the case in a suitable envelope which shall be sealed and shall not be open for inspection by any person except on written order of the court, *except that upon the written consent of the biological parents and upon written order of the circuit court all papers and records including all files and records of the circuit court during proceedings for termination of parental rights provided in KRS 199.615 shall be open for inspection to any adult adopted person who applies in person or in writing to the circuit court as provided in Section 5 of this Act.* No person having charge of any adoption records shall disclose the names of any parties appearing in such records or furnish any copy of any such records, except upon order of the court which entered the judgment of adoption. The clerk of the circuit court shall set up a separate docket and order book for adoption cases and these files and records shall be kept locked.

(2) After entry of the adoption judgment, the clerk of the circuit court shall promptly report to the department for human resources of Kentucky full information as called for on forms furnished by the department for human resources, necessary to make a new birth certificate conforming to the standard birth certificate form. Upon receipt of this information, the department for human resources shall cause to be made a new record of the birth and it shall be filed with the original certificate, and the original certificate shall be stamped with the words, "CONFIDENTIAL — subject to copy and/or inspection only on written order of the court."

(3) The new certificate shall set forth the new name, if any, of the adopted child, the names of the adoptive parents and such other information deemed necessary in accordance with rules and regulations promulgated by the department for human resources in issuing of birth certificates. If the adopted child is under eighteen years of age, the birth certificate shall not contain any information revealing the child is adopted and shall show the adoptive parent or parents as the natural parent or parents of the child. The new birth certificate when issued shall not contain the place of birth, hospital and name of doctor or midwife. This information should be given only by an order of the court in which the child was adopted. The new birth certificate shall recite the residence of the adoptive parents as the birthplace of the child and this shall be deemed for all legal purposes to be the birthplace of the child. If no birth certificate is on file for a child born in Kentucky, the department for human resources shall prepare a certificate of birth in accordance with the information furnished the department by the clerk of the circuit court which issued the adoption order. The department for human resources shall furnish to the clerks of the circuit courts the necessary forms to carry out the provisions of this section. In the event the child was born in another state, the order of adoption shall be forwarded to the division of vital statistics of the state concerned to be changed in accordance with the laws of such state. In the event the child was born in a foreign country, the report of adoption shall be returned to the attorney or agency handling the adoption for submission to the appropriate federal agency.

(4) Thereafter when any copy of the certificate of birth of any child is issued it shall be a copy of the new certificate of birth, except when an order of the court granting the judgment of adoption shall request the issuance of the copy of the original certificate of such child's birth.

(5) If any judgment of adoption is reversed, modified or vacated in any particular, the clerk of the circuit court shall notify the department for human resources of such reversal or modification and the effect of same, and thereupon such department shall make such changes, if any, in its records as may be necessary by such reversal or modification.

SECTION 5. A NEW SECTION OF KRS CHAPTER 199 IS CREATED TO READ AS FOLLOWS:

(1) When any adult adopted person applies in person or in writing to the circuit court for authorization to inspect all papers and records pertaining to the adoption proceedings of such adopted person as provided in KRS 199.570(1), the court may, if satisfied as to the identity of such adult adopted person, authorize the adult adopted person to inspect the papers and records if written consent is obtained from the biological parents identified on the adult adopted person's original birth certificate.

(2) The circuit court shall, within seven (7) working days of the receipt of the request, direct the secretary of the department to notify each biological parent identified on the adult adopted person's original birth certificate that said person has applied to the court for information identifying such biological parent. Within six (6) months of receiving the notice of the request of the adult adopted person, the secretary of the department shall make complete and reasonable efforts to notify each biological parent identified on the adult adopted person's original birth certificate. The secretary may charge a reasonable fee not to exceed two hundred fifty dollars ($250) to the adult adopted person for making such a search. Every child-caring

facility and child-placing agency in the Commonwealth shall cooperate with the secretary in his efforts to notify such biological parents.

(3) The notification of the biological parents shall not be by mail and shall be by personal and confidential contact. The notification shall be done without disclosing the identity of the adult adopted person. The personal and confidential contact with the biological parents shall be evidenced by filing with the circuit court an affidavit of notification executed by the person who notified each parent and certifying each parent was given the following information:

(a) The nature of the information requested by the adult adopted person;

(b) The date of the request of the adult adopted person;

(c) The right of the biological parent to file, within sixty (60) days of receipt of the notice, an affidavit with the circuit court stating that the adult adopted person shall be authorized to inspect all papers and records pertaining to his adoption proceedings;

(d) The right of the biological parent to file at any time an affidavit authorizing the adult adopted person to inspect all papers and records pertaining to his adoption proceedings; and

(e) The right of a biological parent to file an affidavit with the circuit court stating that all papers and records pertaining to the adoption proceedings of the adult adopted person shall not be open for inspection by the adult adopted person.

(4) The adult adopted person shall not be authorized to inspect the papers and records pertaining to his adoption proceedings unless those biological parents identified on the original birth certificate agree in writing to such inspection.

(5) If after diligent and reasonable effort, the secretary of the department certifies that both biological parents identified in the original birth certificate are deceased or the secretary is unable to locate said parents, then a judge of the circuit court, upon motion of the adult adopted person, may order that all papers and records of the department for human resources and those of the circuit court pertaining to the adoption shall be open for inspection to such adult adopted person.

Section 6. The reviser of statutes shall whenever the phrases "natural parent" or "natural parents" appear in the Kentucky Revised Statutes change them so as to read "biological parent" or "biological parents".

Committee Substitute to **HB 282:**

HB 282, AN ACT relating to health records in adoption cases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 199 IS CREATED TO READ AS FOLLOWS:

(1) The health history of biological parents and blood relatives of an adopted person, in writing, on a standardized form, provided by the department, if known, shall be given by the department or child-placing agency which has such information, to the adoptive parents and to the circuit court not later than the date of finalization of the adoption proceedings.

(2) The health history of biological parents and blood relatives of the adopted person shall be retained by the department or the child-placing agency as part of its permanent records.

(3) Any person wishing to place or receive a child who is required by the provisions of KRS 199.473 to make application to the secretary for permission to do so, shall provide to the child welfare worker making the investigation, all information he has regarding the health history of the biological parents and blood relatives of the person to be adopted. The child welfare worker shall submit all such information to the secretary, which information shall be given by the department to the adoptive parents and to the circuit court pursuant to subsection (1) of this section and shall be retained by the department as part of its permanent record, pursuant to subsection (2) of this section.

The Committee on Natural Resources and Environment reported **SB 165** and **SJR 27** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 165, AN ACT relating to surface mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.035 is amended to read as follows:

(1) There is established within the department a bureau of surface mining reclamation and enforcement which shall be headed by a commissioner appointed by the secretary with the approval of the governor as required by KRS 12.050. The secretary may divide the bureau into a division of permits, division of standards and specifications, division of operations and enforcement, *an office of special investigation,* [~~division of orphan land reclamation,~~] and any other offices or divisions as the secretary may deem necessary to perform the functions, powers and duties of the bureau, subject to the provisions of KRS Chapter 12.

(2) The secretary shall have the power to appoint not more than fifteen (15) special investigations officers who shall be peace officers except for purposes of KRS 527.020. Such peace officers shall be responsible for enforcement of the provisions of KRS Chapter 350 relating to criminal offenses.

Section 2. KRS 350.035 (1980 Acts, Chapter 377, Section 2, effective on primacy) is amended to read as follows:

(1) There is established within the department a bureau of surface mining reclamation and enforcement which shall be headed by a commissioner appointed by the secretary with the approval of the governor as required by KRS 12.050. The secretary may divide the bureau into a division of permits, division of standards and specifications, division of operations and enforcement, *an office of special investigation,* [~~division of orphan land reclamation,~~] and any other offices or divisions as the secretary may deem necessary to perform the functions, powers and duties of the bureau, subject to the provisions of KRS Chapter 12.

(2) The secretary shall have the power to appoint not more than fifteen (15) special investigations officers who shall be peace officers except for purposes of KRS 527.020. Such peace officers shall be responsible for enforcement of the provisions of KRS Chapter 350 relating to criminal offenses.

Section 3. KRS 350.990 is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, shall be liable to a civil penalty of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) for said violation, and an additional civil penalty of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto. All sums recovered shall be placed in the state treasury.

(2) Any person who engages in strip mining *operations* without first securing a permit, as provided in KRS 350.060, or any person who engages in *coal exploration* operations, *exclusive of core drilling,* without proper authorization, which shall not be construed to mean permits, as required by the department pursuant to *KRS 350.057 or regulations promulgated pursuant thereto, or any person who engages in mining operations, without proper authorization as required by the department pursuant to KRS 350.029 or regulations promulgated pursuant thereto,* [~~KRS 350.151~~] shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars ($5,000) nor more than twenty-five thousand dollars ($25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries *or expiration date* of the permit in effect at that time.

(3) It shall be the duty of the department's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto.

(4) Any person who shall willfully violate any of the provisions of this chapter, except as provided in subsection (5) or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than five hundred dollars ($500) and not more than five thousand dollars ($5,000). Each day on which such violation occurs shall constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, willfully and knowingly engages in strip mining *operations* without first obtaining a permit from the department or any person who willfully and knowingly

engages in *coal exploration* operations, *exclusive of core drilling,* without proper authorization, which shall not be construed to mean permits, as required by the department pursuant to *KRS 350.057 or regulations promulgated pursuant thereto, or any person who willfully and knowingly engages in mining operations without proper authorization as required by the department pursuant to KRS 350.029 or regulations promulgated pursuant thereto,* [~~KRS 350.151~~] with the intent to violate such laws shall be guilty of a Class *D felony* [~~A misdemeanor~~] and upon conviction thereof shall be imprisoned for *at least one (1) but not more than five (5) years and may be fined in an amount not to exceed ten thousand dollars ($10,000)* [~~a term of up to one (1) year~~].

(6) Any person who violates any of the provisions of KRS 350.600 or regulations promulgated pursuant thereto shall be subject to civil penalties of not more than twenty-five thousand dollars ($25,000). Each day of continuing violation shall be deemed a separate violation.

Section 4. KRS 350.990 (1980 Acts, Chapter 377, Section 3, effective on primacy) is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, may be liable to a civil penalty of not more than five thousand dollars ($5,000) for said violation, and an additional civil penalty of not more than five thousand dollars ($5,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section; provided, however, that any operator or person who fails to abate a violation noted in a notice of noncompliance within the time period prescribed for such abatement shall be assessed a civil penalty of not less than seven hundred fifty dollars ($750) for each day during which such violation continues. A civil penalty of not more than five thousand dollars ($5,000) for each day shall be assessed against any person issued an order pursuant to KRS 350.130(4). Each day of continuing violation may be deemed a separate violation for purposes of penalty assessment. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto. All sums recovered shall be placed in the state treasury.

(2) Any person who engages in surface coal mining *operations* without first securing a permit, as provided in KRS 350.060, or any person who engages in *coal exploration* operations, *exclusive of core drilling,* without proper authorization, as required by the department pursuant to *KRS 350.057 or regulations promulgated pursuant thereto, or any person who engages in mining operations, without proper authorization as required by the department pursuant to KRS 350.029 or regulations promulgated pursuant thereto,* [~~KRS 350.151~~] shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars ($5,000) nor more than twenty-five thousand dollars ($25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries *or expiration date* of the permit in effect at that time.

(3) It shall be the duty of the department's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto.

(4) Any person who shall knowingly and willfully violate any of the provisions of this chapter, except as provided in subsection (5) or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than ten thousand dollars ($10,000) or by imprisonment for not more than one (1) year, or both. Each day on which such violation occurs may constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, willfully and knowingly engages in surface coal mining *operations* without first obtaining a permit from the department or any person who willfully and knowingly engages in *coal exploration* operations, *exclusive of core drilling,* without proper authorization, as required by the department pursuant to *KRS 350.057 or regulations promulgated pursuant thereto, or any person who willfully and knowingly engages in mining operations without proper authorization as required by the department pursuant to KRS 350.029 or regulations promulgated pursuant thereto,* [~~KRS~~

~~350.151~~] with the intent to violate such laws shall be guilty of a Class *D felony* [~~A misdemeanor~~] and upon conviction thereof shall be imprisoned for *at least one (1) but not more than five (5) years and may be fined an amount not to exceed ten thousand dollars ($10,000)* [~~a term of up to one (1) year~~].

(6) Any person who violates any of the provisions of this section or regulations promulgated pursuant thereto shall be subject to civil penalties of not more than twenty-five thousand dollars ($25,000). Each day of continuing violation shall be deemed a separate violation.

(7) Any person who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the department, shall upon conviction be guilty of a misdemeanor and shall be imprisoned for a term of up to one (1) year, or be fined not more than ten thousand dollars ($10,000), or both.

(8) Except as permitted by law, any person who shall willfully resist, prevent, impede, or interfere with the secretary or other personnel of the department in the performance of duties pursuant to this chapter shall, upon conviction, be fined not more than five thousand dollars ($5,000) or imprisoned for not more than one (1) year, or both.

(9) Whenever a corporate permittee violates any provision of this chapter or regulation issued pursuant thereto or fails or refuses to comply with any final order issued by the secretary, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure or refusal shall be subject to the same civil penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

(10) Any person found in violation of KRS 350.060 shall be fined not more than five hundred dollars ($500) for each violation, nor less than fifty dollars ($50).

SECTION 5. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Any officer appointed by the secretary pursuant to KRS 350.035(2) shall be empowered to arrest, without a warrant, any person detected by him to be violating the provisions of KRS Chapter 350 which constitute criminal offenses.

(2) Any officer appointed by the secretary pursuant to KRS 350.035(2) shall have the authority to use physical force, which he believes necessary, in accomplishing any lawful arrest for a criminal offense; however, deadly physical force may be used only when the officer is authorized to make an arrest, the arrest is for a felony involving the threatened use of physical force likely to cause death or serious physical injury, and the officer believes that the person to be arrested is likely to endanger human life unless arrested without delay.

(3) Any officer appointed by the secretary pursuant to KRS 350.035(2) shall meet the qualifications set forth in KRS 61.300(1), (3) and (4) and shall prior to appointment:

(a) Successfully complete not fewer than eighty (80) hours of training in a program provided by the bureau of training, department of justice, and dealing comprehensively with the subjects of criminal law and the law of arrest, search and seizure;

(b) Demonstrate in written and practical examinations approved by the bureau of training, department of justice, knowledge of and proficiency in firearms safety, range firing, the moral and legal aspects of firearms use, and first aid.

SECTION 6. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) Authorized representatives of the special investigations section of the department and all peace officers shall seize and take possession of any and all instrumentalities willfully and knowingly used in the mining of coal without a permit in violation of KRS 350.060(1) or willfully and knowingly used for the removal of more than two hundred fifty (250) tons of coal during coal exploration in violation of KRS 350.057(3).

(2) Upon conviction of any person for the willful and knowing violation of KRS 350.060(1) or 350.057(3), the court shall order the machinery, trucks, and earth moving equipment, and materials used in furtherance of the crime forfeited and sold at public auction. Proceeds from such sale shall be deposited in the "illegal mining reclamation fund" established by Section 7 of this Act.

(3) All property seized under subsection (1) of this section shall be subject to the right of any owner or lienor whose lien is valid and recorded to intervene and upon trial or special hearing held for that purpose before the court establish his rights in the property by proving that the property was being used in connection with mining without a permit without the knowledge, consent or approval of the owner or lienor. If the owner of the property does so prove, the court may order the property restored to him. If the lienor so proves, the court may order a sale of the property at public auction with the lienor receiving from such sale the amount of his outstanding lien. However, the department shall deliver any seized property to a lienor whose claim has been established by order of a court of competent jurisdiction, upon payment to the department of the difference between the fair market value of the property so seized and the recorded claim of the lienor.

(4) If the defendant is acquitted all property seized in connection with the arrest of the defendant shall be ordered returned to the rightful owner unless previously returned under subsection (3) of this section.

(5) All expenses associated with the seizure, storing, and if applicable, sale of such property shall be the responsibility of the defendant if he is convicted.

(6) It shall be the duty of all peace officers and other public officers or officials having knowledge of the lawful owner or claimant of property subject to forfeiture to report the same to the court before the act of forfeiture occurs.

SECTION 7. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) There is established a special fund to be known as the "illegal mining reclamation fund" which shall be under the control of the department for natural resources and environmental protection.

(2) The fund shall consist of all monies from the sale or forfeiture of all instrumentalities used in the mining of coal without authorization as provided for in Section 6 of this Act.

(3) Monies in the fund may be used for the following purposes:

(a) To reclaim lands mined without a permit or authorization, as required by KRS 350.057 or 350.060(1), and not eligible for the abandoned mine lands reclamation fund;

(b) To defray any and all expenses associated with the seizure, storing, and sale of forfeited property pursuant to Section 6 of this Act.

(4) Monies contained in the illegal mining reclamation fund shall be deemed a trust and agency account and shall not lapse.

(5) The department shall have access to and control of the monies held in the illegal mining reclamation fund, but shall expend such monies only for the purposes set forth in subsection (3) of this section.

SJR 27, A JOINT RESOLUTION providing for the adoption and implementation of the Kentucky Clean Community System Program for a more beautiful Kentucky.

WHEREAS, improper disposal of solid waste by citizens of the Commonwealth of Kentucky continues to be a serious problem; and

WHEREAS, the Kentucky Labor-Management Advisory Council, being a duly constituted body of the Commonwealth of Kentucky (as provided for by KRS 336.162) endorsed, by resolution, the voluntary concept of solid waste control on December 2, 1980; and

WHEREAS, the Secretary of the Department for Natural Resources and Environmental Protection endorses the concept of voluntary solid waste control in keeping Kentucky "clean and green"; and

WHEREAS, a substantial reduction in solid waste could be accomplished with the implementation of a Kentucky Clean Community System Program;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Clean Community System Council be established and consist of the Secretary for Natural Resources and Environmental Protection, the Secretary of Transportation, and representatives of the Beverage Industry Recycling Program Association, Kentucky Association of County Officials, Kentucky Municipal League, a statewide general business association, the Federated Garden Clubs of Kentucky and one member from each chamber of the general assembly of the Commonwealth of Kentucky.

Section 2. That a State Coordinator for the Kentucky Clean Community System Council be appointed and assigned to work within the Department for Natural Resources and Environmental Protection and, along with members of the Council, shall adopt and implement a Kentucky Clean Community System Program and that the State Coordinator shall work with cities, counties, and state agencies involved in the Kentucky Clean Community System Council to develop a statewide solid waste reduction and cleanliness program.

Section 3. That all cities and counties in the Commonwealth shall be encouraged to utilize this program and be assisted by those responsible for developing and implementing the program.

Section 4. That members of the Clean Community System Council shall cooperate with all Waste Management Districts throughout the Commonwealth.

Section 5. That the Clerk of the Senate is hereby authorized and directed to transmit appropriate copies of this resolution to the Governor of the Commonwealth of Kentucky and to the heads of departments named herein.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 111, HB 132,** and **HB 228** had been examined and found correctly enrolled. **HB 111, HB 132,** and **HB 228** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:20 a.m.)

HB 111, HB 132, and **HB 228** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Calendar

HB 110, HB 533, HB 744, HB 799, HB 802, HR 63, HR 82, HB 542, HB 788, SB 274, HB 156, HB 807, HB 813, HJR 62, HB 681, HR 44, HR 61, HR 75, SB 169, HB 571, HB 673, HB 809, and **HB 785** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Annoucing passage of **SB 247, SB 288,** and **HJR 34.**

Orders of the Day

SB 32, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved the adoption of the Floor Amendment NO. 1 to **SB 32.** Agreed.

Representative Bruce moved that **SB 32,** as amended, be passed.

On the roll call the vote was yeas 82-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, White, Yates. Nays 4-Brown, Crupper, Fryman, Tobin.

SB 32, as amended, was passed and the title agreed to.

Representative Bruce moved that the vote by which **SB 32,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 163, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 163** be passed.

On the roll call the vote was yeas 74-Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, Little, McBee, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Overstreet.

SB 163 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 163** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 345, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved that the adoption of the Floor Amendment No. 1 to **HB 345.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 2 to **HB 345.** Agreed.

Representative B. Smith moved the adoption of the Floor Amendment No. 4 to **HB 345.** Agreed.

Representative B. Smith moved the adoption of the Floor Amendment No. 5 to **HB 345.** Agreed.

Representative Thomason moved that **HB 345,** as amended, be passed.

On the roll call the vote was yeas 95-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Craddock, McNutt, Tobin.

HB 345, as amended, was passed and the title agreed to.

Representative B. Smith moved that the vote by which **HB 345,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Brinkley moved that the House disapprove and reject Proposed Regulation 810 KAR 1:018.

On the roll call the vote was yeas 67-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ford, Foster, Fryman, Gray, Haering, Hancock, Harper, Head, Holloway, Johnson, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, White, Williams, Yates. Nays 12-Barrows, Ellington, Endicott, Guenthner, Heleringer, Holbrook, Lefevers, McNutt, Moore, Perkins, Tobin, Van Horn.

The motion that the House disapprove and reject Proposed Regulation 810 KAR 1:018 was adopted.

Representative Brinkley moved that the House adopt the Report of the Committee to disapprove Proposed Regulation 810 KAR 1:009.

On the roll call the vote was yeas 75-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Hancock, Harper, Head, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 2-Guenthner, Heleringer.

The motion that the House adopt the Report of the Committee to disapprove Proposed Regulation 810 KAR 1:009 was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 56** and **SB 100** had been examined and found correctly enrolled. **SB 56** and **SB 100** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:00 a.m.)

Orders of the Day (continued)

HB 240, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved the adoption of the Committee Amendment No. 1 to **HB 240.** Agreed.

Representative Farrow moved that **HB 240,** as amended, be passed.

On the roll call the vote was yeas 87-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 240, as amended, was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 240,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 720 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 720** be passed.

On the roll call the vote was yeas 83-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

HB 720 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 720** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 611, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Endicott moved the adoption of the Committee Substitute to **HB 611.** Agreed.

Representative Endicott moved the adoption of the Floor Amendment No. 1 to Committee Substitute to **HB 611.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 611.** Agreed.

Representative Endicott moved that **HB 611,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Kidd, Layman, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Robinson, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 11-Fryman, R. Jones, T. Jones, Lefevers, LeMaster, List, McNutt, Moore, Mooris, B. Richardson, P. Richardson.

HB 611, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Endicott moved that the vote by which **HB 611,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 355 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **HB 355** be passed.

On the roll call the vote was yeas 59-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Freibert, Gray, Hancock, Handy, Head, Hines, Holloway, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, McBee, Meyer, Moberly, Moore, Nett, O'Brien, Overstreet, Pearman, Perkins, Priddy, Rapier, Richards, B. Richardson, B. Smith, F. Smith, Stone, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 4-Ford, Fryman, Holbrook, Schmidt.

HB 355 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 355** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 415, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Substitute to **HB 415.** Agreed.

Representative Long moved that **HB 415,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 415, by way of Committee Substitute, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 415,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 346, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved the adoption of the Floor Amendment No. 1 to **HB 346.** Agreed.

Representative Cyrus moved that **HB 346,** as amended, be passed.

On the roll call the vote was yeas 89-Allen, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

HB 346, as amended, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 346,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 555, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Floor Amendment No. 1 to **HB 555.** Agreed.

Speaker Pro Tempore Thomason presiding.

Representative Burch moved that **HB 555,** as amended, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Endicott, Ford, Foster, Freibert, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Williams, Yates. Nays 21-Brown, Bruce, Crupper, Deskins, Dunn, Farrow, Fryman, Haering, Hancock, Lefevers, Little, McNutt, Moore, Noe, Perkins, Rapier, Riner, Robinson, Seum, F. Smith, Van Horn.

HB 555, as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 555,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 269, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cowan moved the adoption of the Floor Amendment No. 1 to **HB 269.** Agreed.

Representative Schmidt moved the adoption of the Floor Amendment No. 2 to **HB 269.** Agreed.

Representative Hancock moved that **HB 269,** as amended, be passed.

On the roll call the vote was yeas 55-Arnold, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Freibert, Gray, Haering, Hancock, Handy, Harper, Hines, Holbrook, Holloway, Kidd, LeMaster, Lile, List, Little, Long, Mann, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Schmidt, B. Smith, Stone, Tobin, Van Horn, White, Williams, Yates. Nays 25-Allen, Barrows, Boswell, Brown, Cline, Crupper, Dawahare, Ellington, Edicott, Ford, Foster, Fryman, Heleringer, T. Jones, Layman, Lefevers, Maggard, McNutt, Moore, Pearman, Perkins, Stumbo, Thomas, Todd, Worthington.

HB 269 was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 269** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 526 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 526** be passed.

On the roll call the vote was yeas 78-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Yates. Nays 1-Blevins.

HB 526 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 526** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 90, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved the adoption of the Floor Amendment No. 1. to **HB 90.** Agreed.

Representative Bennett moved that **HB 90,** as amended, be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 90, as amended, was passed and the title agreed to.

Representative Bennett moved that the vote by which **HB 90,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 398, SB 400, SJR 45, SB 352, SB 366, SB 390, SB 316, SB 382, HB 112** with Senate Amendments, **HB 342** with Senate Amendment, **HB 393, HB 585, HB 455,** and **HB 161.**

Orders of the Day (continued)

HB 632 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved that **HB 632** be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Overstreet.

HB 632 was passed and the title agreed to.

Representative Tobin moved that the vote by which **HB 632** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 686, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 686** be passed.

On the roll call the vote was yeas 61-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Lundergan, Maggard, Mann, McBee, Meyer, Nett, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Williams. Nays 23-Allen, Brown, Burnette, Craddock, Ellington, Ford, Foster, Fryman, Guenthner, Heleringer, Holbrook, R. Jones, Layman, McNutt, Moberly, Moore, Morris, Noe, Noland, Patrick, Todd, Turner, White.

HB 686, as amended, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 686,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 636 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it beread by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that **HB 636** be passed.

Representative Fryman moved that **HB 636** be laid on the table.

On the roll call the vote was yeas 22-Allen, Craddock, Dawahare, Ford, Freibert, Fryman, Heleringer, Layman, Lefevers, Maggard, Meyer, Noland, Overstreet, Patrick, Pearman, Priddy, Rattliff, Schmidt, Stone, Todd, Turner, Van Horn. Nays 54-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clark, Cowan, Crupper, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Gray, Haering, Hancock, Handy, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, Moberly, Moore, Morris, Nett, Noe, Perkins, Petty, Rapier, Richards, B. Richardson, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, White, Williams, Yates.

The motion that **HB 636** be laid on the table was rejected.

Representative Priddy moved that **HB 636** be laid on the Clerk's desk. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions.

Floor Amendment No. 1 to **HB 293,** by Representative Dawahare:

Amend printed copy of **HB 293** on page 1, line 1 by inserting before the word "the" the following: "in a statewide race".

Floor Amendment No. 1 to Committee Substitute to **HB 429,** by Representative F. Smith:

Amend printed copy of Committee Substitute to **HB 429** on page 4, after line 13 by inserting the following language:

"*(10) In addition to any other method of public notice required by this section, a city shall post in a public place, for public inspection, a copy of its audit report or general purpose financial statements. Also, any newspaper advertisement relating to the completion of an audit report or general purpose financial statement shall also designate the location of such information which has been posted for public inspection.*"

Floor Amendment No. 2 to Committee Substitute to **HB 429,** by Representative Long:

Amend printed copy of **HB 429** on page 1, line 3, insert between the words "city" and "shall" the following: "*except as provided in Section 2 of this Act,*"; and

on page 2, line 22, delete in their entirety subsections (4), (5), (6), (7), (8) and (9) of Section 1 running though page 4, line 13; and insert in lieu thereof the following language:

(4)[~~(5)~~] A copy of an annual audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory judicial requirements.

(5)[~~(4)~~] Upon completion of an annual audit, the city *may elect to publish the auditor's report in accordance with subsection (6) of this section, or publish a financial statement in accordance with subsection (7) of this section. Notwithstanding the election of subsection (6) or subsection (7), the city shall within ninety (90) days after the close of the fiscal year, cause to be published in a newspaper qualified under KRS 424.120 a legal display advertisement of not less than eight (8) column inches that the statement required by KRS 424.220 has been prepared and that copies have been provided to each local newspaper of general circulation, each news service, and each local radio or television station which has on file with each local radio or television station which has on file with the city a written request to be provided such statement* [~~shall publish a summary of the audit in accordance with KRS Chapter 424~~].

(6) If the city elects to publish the auditor's report prepared in accordance with this section in lieu of the financial statement required by KRS 424.220, it shall publish such report, together with the general purpose financial statements of the city, which shall include the combined balance sheets, combined statements of revenues, expenditures or expenses, and changes in fund balances, retained earnings, or financial position for each fund of the city, and notes to such general purpose financial statements, in accordance with KRS Chapter 424. In addition, the advertisement shall contain a statement that copies of the financial statement prepared in accordance with KRS 424.220 are available to the public at no cost at the business address of the officer responsible for preparation of such statement.

(7) If the city, other than a city of the first or second class or urban-county government, elects to publish the financial statement prepared in accordance with KRS 424.220 in lieu of publishing the auditor's report, it shall, within sixty (60) days after the completion of the audit, publish such statement in accordance with KRS Chapter 424.

(8) Any city of the fifth or sixth class may utilize the alternative publication methods authorized by KRS 424.190(2) to comply with the provisions of this section.

(9) Any person who violates any provision of this section shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500). In addition, any officer who fails to comply with any of the provisions of this section shall, for each failure, be subject to a forfeiture of not less than fifty dollars ($50.00) nor more than five hundred dollars ($500), in the discretion of the court, which may be recovered only once, in a civil action brought by any resident of the city. The costs of all proceedings, including a reasonable fee for the attorney of the resident bringing the action, shall be assessed against the unsuccessful party."; and

on page 4, line 22, delete the statutory cite "KRS 424.290" and insert in lieu thereof: "*KRS 424.220*"; and, also beginning on that same line delete the phrase beginning with the semi-colon ";" and ending on line 24 with the word: "be"; and on page 9, line 24, delete the word "*notice*" and insert in lieu thereof the word "*advertisement*"; and

on page 12, line 16, insert between the words "*shall*" and "*within*" the following: "*except in a city electing to publish its audit in lieu of the financial statement pursuant to subsection (6) of Section 1 of this Act*"; and

on page 12, line 27, insert the following new section after the end of Section 7:

"SECTION 8. A NEW SECTION OF KRS CHAPTER 424 IS CREATED TO READ AS FOLLOWS:

Any resolution, regulation, ordinance or other formal action of any public agency which is required to be published that is adopted without compliance with the publication requirements of this chapter shall be voidable by a court of competent jurisdiction. The circuit courts of this state shall have the jurisdiction to enforce the purposes of this chapter, by injunction or other appropriate order, upon application by any citizen of this state. The cost of all proceedings, including a reasonable fee for the attorney of the citizen bringing the action, shall be assessed against the unsuccessful party."

Floor Amendment No. 2 to Committee Substitute to **HB 503**, by Representative Priddy:

Amend printed copy of Committee Substitute to **HB 503** on page 14, by deleting lines 17 through 26 in their entirety and on page 15, by deleting lines 1 through 23 in their entirety and by renumbering the remaining sections accordingly.

Floor Amendment No. 3 to Committee Substitute to **HB 503**, by Representative Stumbo:

Amend printed copy of Committee Substitute to **HB 503** on page 19, following line 5 add the following"

"Section 18. Any duly elected or appointed judge in this Commonwealth shall be entitled to and afforded all the rights and protections of the State and/or Federal Constitutions and Rules of Law established therefrom. No Court within this Commonwealth shall establish or allow to exist any Commission, Board or other entity whose rules and/or regulations do not afford a judge all rights and protections as specified above, and any Commission, Board or other entity now so existing in violation of this act is hereby abolished."

Floor Amendment No. 1 to Committee Substitute to **HB 536**, by Representative Bendl:

Amend printed copy of Committee Substitute to **HB 536** on page 2, line 19, by deleting "*in the Franklin circuit court or in any*"

and on page 2, line 20, by deleting, "*county wherein the offense is committed*"

and on page 7, line 17, by deleting "*in the 48th judicial circuit or in any*"

and on page 7, line 18, by deleting "*county wherein the offense is committed*"

Floor Amendment No. 3 to **HB 545** by Representative LeMaster:

Amend printed copy of **HB 545** on page 33, line 24, by adding the following to Section 18:

"*KRS 287.180 - Banking business, where done - Branch and agency banks is repealed.*

KRS 287.185 - Change of location - approval by commissioner is repealed."

Floor Amendment No. 4 to **HB 545**, by Representative Bruce:

Amend printed copy of **HB 545** on page 33, after line 15 and before line 16 by adding the following:

"SECTION 18. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Bank" means any institution organized under this chapter or the National Bank Act, as amended, to do a banking business, and having its principal place of business in this state; provided, however, it shall not include an "interim bank" chartered solely for the purpose of facilitating the acquisition of an existing bank.

(b) "Bank holding company," "company" and "control" have the meanings accorded them in the Federal Bank Holding Company Act of 1956, as amended.

(c) "Deposit" has the meaning accorded it in the Federal Deposit Insurance Act, as amended, and regulations promulgated thereunder; excluded, however, from deposits are all interbank deposits and all deposits in foreign branches and international banking facilities, as shown in the reports made by all banks to their respective supervisory authorities.

(2)Any bank holding company with its principal place of business in this state may acquire control of any other bank or bank holding company, except any bank holding company may not acquire control of any of the shares of another bank which has been in existence less than five (5) years at the time of such acquisition and which was chartered after January 31, 1982.

(3) No bank holding company may acquire control of any other bank or bank holding company if, upon such acquisition, such bank holding company would control banks holding more than twenty percent (20%) of the total deposits in all banks in Kentucky, as reported in the most recent year-end reports made by such banks to their respective supervisory authorities which are available at the time of such acquisition.

(4) No bank holding company may acquire control of more than three (3) banks during any twelve (12) month period.

(5) No persons as individuals or copartners shall engage in the business of private banking in this state.

(6) No banking institution incorporated under the laws of another state shall transact any banking business in this state except to lend money.

(7) No person who hereafter owns or acquires more than one-half (½) of the capital stock of a bank shall act as insurance agent or broker with respect to any insurance except credit life insurance, credit health insurance and insurance of the interest of the real property mortgage in mortgaged property, other than title insurance; as used herein, "person" includes a natural person, partnership, corporation, association, business trust, voting trust, or similar organization.

(8) No bank incorporated under the laws of this state shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, except that a bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business; and stock so purchased or acquired shall, within six (6) months from the date of its purchase, be sold or disposed of at public or private sale. This subsection shall not affect or modify in any way KRS 386.025, but said section shall remain in full force and effect.

Section 19. KRS 287.990 is amended to read as follows:
(1) Any person who violates subsection *(5) of Section 1 of this Act* [~~(1) of KRS 287.030~~] shall be fined not less than twenty ($20.00) nor more than fifty dollars ($50.00) for each day he is engaged in the private banking business.

(2) Any institution that fails to make the report required by KRS 287.420 to the commissioner within five (5) days after the report is due or demanded, or that fails to have the report published as required by KRS 287.420, shall pay a penalty of two hundred dollars ($200) to be sued for and collected by the commissioner in the name of the state.

(3) If any person violates subsection (4) of KRS 287.440 his office shall ipso facto become vacant. The president or cashier of any bank or trust company to which any person becomes indebted in violation of subsection (4) of KRS 287.440 shall immediately report such fact to the commissioner of banking and securities, who shall remove the person so offending.

(4) Any receiver of an insolvent institution who fails to comply with the provisions of this chapter shall be subject to the same penalties provided for solvent institutions and officers so offending.

(5) Any directors of a bank who knowingly violate, or knowingly permit any officer or employe of the bank to violate, any of the laws relating to banks, shall be jointly and severally liable to the creditors and stockholders for any loss or damage resulting from such violation. If the loss or damage is not made good within a reasonable time, the commissioner, with the consent of the attorney general, shall institute proceedings to revoke the corporate powers of the bank.

(6) Any deputy commissioner or any examiner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who fails to immediately present a signed report of such facts to the commissioner, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than one hundred ($100) nor more than two thousand dollars ($2,000) for each offense.

(7) Any commissioner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who wilfully fails to take the action prescribed by this chapter, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than five hundred ($500) nor more than five thousand dollars ($5,000) for each offense.

(8) Any bank or trust company that knowingly fails to make a report required by law or by the commissioner within the time designated for the making thereof, or fails to include in such report any matter required by law or by the commissioner, or fails to publish a report within thirty (30) days after it should have been published, or fails to pay when due the fees for filing reports or for an examination of the bank, shall be subject to a penalty of twenty-five dollars ($25.00) for each day of delinquency, but the aggregate penalty for each kind of offense shall not exceed two hundred and fifty dollars ($250).

(9) Each person, bank or trust company that wilfully makes or transmits a false report or refuses to submit its books, papers and assets for examination, or any officer of a bank who refuses to be examined under oath concerning the affairs of the bank, shall be severally fined not less than one hundred ($100) nor more than five hundred dollars ($500).

(10) Whenever any penalty imposed by subsections (4), (6), (7), (8), or (9) is not paid, the attorney general shall institute an action, in the name of the state, in the Franklin Circuit Court or the circuit court of the county in which the offense was committed, for the recovery of the penalty.

(11) Any person violating any of the provisions of KRS 287.225 shall be guilty of a misdemeanor and fined not less than fifty dollars ($50.00) nor more than two thousand dollars ($2,000).

(12) Any person who willfully makes charges in excess of those permitted by KRS 287.710 to 287.770 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding five-hundred dollars ($500.00) or by imprisonment for not more than six (6) months, or both.

(13) Any bank which violates any provision of KRS 287.710 to 287.770, except as a result of an accidental or bona fide error shall be barred from the recovery of any finance charges permitted by KRS 287.740 and 287.750, and the debtor, or his legal representatives, may recover back, in an action against the bank, any amounts paid to the bank on account of such finance charge; provided such action is commenced within two (2) years from the date such violation first occurred; but the bank may nevertheless recover from the debtor an amount equal to the principal of extensions of credit made pursuant to a revolving credit plan and any charges not prohibited by KRS 287.760.

(14) Notwithstanding the provisions of subsections (12) and (13) of this section, any failure, other than a willful and intentional failure, to comply with any provisions of KRS 287.710 to 287.770 may be corrected during the billing cycle next succeeding the receipt by the bank of written notice thereof from the debtor, and if so corrected, the bank shall not be subject to any penalty under KRS 287.710 to 287.770.

Section 20. KRS 287.030, Limitation on right to engage in business and own stock, is repealed.

and on page 33, line 16 after "Section" by deleting "18" and inserting in lieu thereof "21"

and on page 33, line 24 by deleting lines 24 through 26 in their entirety

and on page 34, line 1 by deleting lines 1 and 2 in their entirety;

and on page 34, after line 2 by adding:

"Section 22. Sections 18, 19, and 20 of this Act shall become effective on July 1, 1983."

Floor Amendment No. 1 to Committee Substitute to **HB 571,** by Representative F. Smith:

Amend printed copy of Committee Substitute to **HB 571** on page 3, line 20, by inserting after subsection (1) and before the word "There" the following language: *Except as provided in subsection (2) of this section,*

and on page 4, line 23 by inserting after subsection *(2)* the following language:

(a) There is levied upon bourbon whisky sold in Kentucky a tax equal to five percent (5%) of the amounts received or receivable from the sale at wholesale of such beverages to persons in this state.

(b) For the purposes of this Act, bourbon whisky is defined as whisky produced at not exceeding one-hundred sixty (160) degrees proof from a fermented mash of not less than fifty-one percent (51%) corn, and stored at not more than one-hundred twenty-five (125) degrees proof in charred new oak containers; and also includes mixtures of such whiskies of the same type.;

and by renumbering the language that was subsection *(2)* as subsection *(3)* and renumbering each succeeding subsection accordingly;

and on page 11, line 13, by inserting the following language before the word "Every": "*(1) Except as provided in subsection (2) of this section,*";

and on page 12, after line 4, by inserting the following:

"*(2) Every retailer of bourbon whisky, as defined in subsection (2) of Section 2 of this Act, shall report and pay to the department of revenue a floor stocks tax equal to five percent (5%) of the purchase price of bourbon whisky in the possession of such retailers in this state at the close of business on the day immediately preceding the effective date of this Act. Wholesalers of bourbon whisky shall be entitled to a similar credit on their tax paid inventory of bourbon whisky on the effective date of this Act. Such credit shall be offset against the tax levied by this Act.*

Floor Title Amendment to Committee Substitute to **HB 598,** by Representative R. Jones:

Amend printed copy of Committee Substitute to **HB 598** on page 1, by deleting the title and substituting therefor: "AN ACT relating to special districts."

Floor Amendment No. 2 to **HB 660,** by Representative LeMaster:

Amend printed copy of **HB 660** on page 2, line 23, after the word "*process.*" insert the following language: "*For the administration of this section, the survey shall receive an annual fee not to exceed fifty dollars ($50) from each geologist desiring certification as a registered professional geologist.*"

Floor Title Amendment to **HR 46,** by Representative Arnold:

Amend printed copy of **HR 46** on page 1, Title, by deleting "CONCURRENT" and inserting "JOINT" in lieu thereof.

Floor Amendment No. 1 to **HR 46,** by Representative Arnold:

Amend printed copy of **HR 46** on page 1, resolving clause, by deleting "*House of Representatives of the*" and "*, the Senate concurring therein*"; and

on page 2, line 1, after "League" by inserting "; a representative of the Kentucky Youth Advocates; the director of the Kentucky Commission on Women or his designee; the Secretary of Corrections or his designee;

the Secretary of Finance or his designee"; and on page 2, line 11, after "system." by adding the following: "All state departments and agencies, all counties and the officers and employes thereof shall cooperate with and assist the jail study committee to effectuate the purposes of this section and shall make all records and data on jail population, financing, conditions and other matters related to the county jail system accessible to the jail study committee."

and on page 2, line 14, after "jails," by inserting "a juvenile pretrial release system,".

Floor Amendment No. 1 to **SB 54,** by Representative Patrick:

SECTION 2. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 through 10 unless the context requires otherwise:

(1) "Labor organization" means any organization, agency or employe representation committee of any kind which exists for the purpose, in whole or in part of dealing with employers concerning wages, rates of pay, hours of work or other conditions of employment.

(2) "Employer" includes any person acting in the interest of an employer, directly or indirectly, including the Commonwealth of Kentucky and its political subdivisions, but shall not include the United States government or any person defined as an employer in the Railway Labor Act, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

SECTION 3. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

(1) It shall be unlawful for any employer to require, as a condition of employment, that any employe become or remain a member of any labor organization or pay to such labor organization any dues, fees or any other charges.

(2) It shall be unlawful for any employer and any other person or any labor organization to agree that said employer will require, as a condition of employment, that any employe become or remain a member of any labor organization or pay to such labor organization any dues, fees, or any other charges. Any such agreements shall be null, void and unenforceable.

(3) It shall be unlawful for any person or labor organization to induce, cause, or encourage any employer to violate this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

No employer shall deduct from the wages, earnings or compensation of an employe union dues, fees, assessments or other charges to be held for or paid to a labor organization, unless the employer has first received from each employe, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one (1) year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner.

Section 5. KRS 337.060 is amended to read as follows:

No employer shall withhold from any employe any part of the wage agreed upon. This section shall not make it unlawful for an employer to withhold or divert any portion of an employe's wage when the employer is authorized to do so by local, state or federal law or when a deduction is expressly authorized in writing by the employe to cover insurance premiums, hospital and medical dues, or other deductions not amounting to a rebate or deduction from the standard wage arrived at by collective bargaining or pursuant to wage agreement or statute, nor shall it preclude deductions for union dues, *provided, that the employer has received from each employe, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one (1) year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner* [~~where such deductions are authorized by joint wage agreements or collective bargaining contracts negotiated between employers and employes or their representative~~].

Section 6. KRS 345.050 is amended to read as follows:

(1) Public employers, their representatives or their agents are prohibited from:

(a) Interfering, restraining or coercing fire fighters in the exercise of the rights guaranteed in KRS 345.030;

(b) Dominating or interfering with the formation, existence or administration of any labor organization;

(c) Discriminating in regard to hiring or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization; [~~provided, that nothing in this chapter, or in any other statute of this state, shall preclude a public employer from making an agreement with a labor organization to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or on the effective date of such agreement, whichever is the later;~~]

(d) Discharging or otherwise discriminating against an employe because he has signed or filed any affidavit, petition or complaint or given any information or testimony under this chapter;

(e) Refusing to bargain collectively in good faith with a labor organization which is the exclusive representative of employes in an appropriate unit, including but not limited to the discussing of grievances with the exclusive representative.

(2) Labor organizations or their agents are prohibited from:

(a) Restraining or coercing:

1. Fire fighters in the exercise of the right guaranteed in subsection (1) of KRS 345.030, and

2. A public employer in the selection of his representative for the purposes of collective bargaining or the adjustment of grievances;

(b) Refusing to bargain collectively in good faith with a public employer, if they have been designated in accordance with the provisions of this chapter as the exclusive representative of fire fighters in an appropriate unit.

(3) For the purposes of this chapter, to bargain collectively is to carry out in good faith the mutual obligation of the parties, or their representatives; to meet together at reasonable times, including meetings in advance of the budget-making process; to negotiate in good faith with respect to wages, hours and other conditions of employment; to negotiate an agreement; to negotiate any question arising under any agreement; and to execute a written contract incorporating any agreement reached, if requested by either party. The obligation shall not be interpreted to compel either party to agree to a proposal, or require either party to make a concession.

SECTION 7. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

(1) It shall be the duty of the commissioner and every commonwealth attorney to investigate any complaints of violations of this Act and to prosecute any person suspected of violating the provisions of this Act.

(2) In addition to criminal prosecution or in lieu thereof, if the commissioner or commonwealth attorney, as a result of an investigation has good cause to believe that a person is violating or will violate any provision of this Act, he may bring an action for injunctive or other appropriate relief in the circuit court for the county in which the violation is occurring or will occur, or in the circuit court for Franklin County.

Section 8. KRS 336.990 is amended to read as follows:

(1) Upon proof that any person employed by the department as a labor inspector has taken any part in any strike, lockout or similar labor dispute he shall forfeit his office.

(2) Any person who violates KRS 336.110 shall for each offense be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100) or imprisoned for not more than fifty (50) days, or both.

(3) Any corporation, association, organization, or person that violates KRS 336.190 and 336.200 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense. Each act of violation, and each day during which such an agreement remains in effect, shall constitute a separate offense.

(4) Any employer who violates the provisions of KRS 336.220 shall be fined not more than one hundred dollars ($100) for each violation.

(5) Any person who violates any provision of KRS 336.520 to 336.680 or regulation issued thereunder shall be fined a sum of $500 for each offense.

(6) Any person who violates any provision of this Act is guilty of a misdemeanor and shall be fined not more than one thousand dollars ($1,000) or be imprisoned in the county jail for not more than ninety (90) days, or both.

Section 9. KRS 337.990 is amended to read as follows:

(1) Any firm, individual, partnership or corporation that violates KRS 337.020 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) for each offense. Each failure to pay an employe the wages when due him under KRS 337.020 shall constitute a separate offense.

(2) Any employer who violates KRS 337.050 shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or imprisoned for not more than thirty (30) days, or both.

(3) Any person who violates KRS 337.060 shall be fined not more than *one thousand dollars ($1,000)* [~~three hundred dollars ($300)~~] or imprisoned for not more than *ninety (90)* [~~sixty (60)~~] days, or both.

(4) Any employer who violates any provision of KRS 337.275 to 337.325, 337.345, and 337.385 to 337.405, or willfully hinders or delays the commissioner or his authorized representative in the performance of his duties under KRS 337.295, or fails to keep and preserve any records as required under KRS 337.320 and 337.325, or falsifies any such record, or refuses to make any such record or transcription thereof accessible to the commissioner or his authorized representative shall, upon conviction therefor be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(5) Any employer who pays or agrees to pay wages at a rate less than the rate applicable under KRS 337.275 and 337.285, or any wage order issued pursuant thereto, shall, upon conviction therefor, be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(6) Any employer who discharges or in any other manner discriminates against any employe because such employe has made any complaint to his employer, to the commissioner, or to his authorized representative that he has not been paid wages in accordance with KRS 337.275 and 337.285 or regulations issued thereunder, or because such employe has caused to be instituted or is about to cause to be instituted any proceeding under or related to KRS 337.385, or because such employe has testified or is about to testify in any such proceeding, shall be deemed in violation of KRS 337.275 to 337.325, 337.345, and 337.385 to 337.405 and shall, upon conviction therefor, be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(7) Any person who violates KRS 337.530 shall be fined not more than one hundred dollars ($100).

(8) Any contractor or subcontractor who violates any wage or work hours provision in any contract under KRS 337.505 to 337.550 shall be fined not more than one hundred dollars ($100) for each offense, and said contractor or subcontractor shall make full restitution to all employes to whom he is legally indebted by reason of said violation. The prime contractor shall be jointly and severally liable with a subcontractor for wages due an employe of the subcontractor. For a flagrant or repeated violation the offending contractor or subcontractor shall be barred from bidding on, or working on, any and all public works contracts, either in his name or in the name of any other company, firm, or other entity in which he might be interested for

a period of two (2) years from the date of the last offense. Each day of violation shall constitute a separate offense, and the violation as affects each individual worker shall constitute a separate offense.

(9) Any public authority, public official, or member of a public authority who willfully fails to comply or to require compliance with KRS 337.505 or 337.550 shall be fined not more than one hundred dollars ($100) for each offense. Each day of violation shall constitute a separate offense. Where a public authority, public official or member of a public authority willfully or negligently fails to comply with KRS 337.505 to 337.550 and such failure results in damages, injury or loss to any person, such public authority, public official, or member of a public authority may be held liable therefor in a civil action.

(10) Any person who fails to comply with KRS 337.070 shall be fined not less than ten dollars ($10), nor more than one hundred dollars ($100) for each offense and each day that such failure continues shall be deemed a separate offense.

(11) Any employer who violates the provisions of KRS 337.065 shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500) for each offense and shall make full payment to the employe by reason of said violation.

SECTION 10. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall not apply to any contract or agreement between an employer and a labor organization in force upon the effective date of this Act, but shall apply to any renewal or extension of such contract or agreement, or to any new contract or agreement entered into after the effective date of this Act.

Section 11. KRS 345.110 Public employer to withhold dues and deliver to bargaining unit, is repealed.

Floor Amendment No. 2 to **SB 75**, by Representative Barrows:

Amend printed copy of **SB 75** on page 1, line 17, following "(2)" to delete the remainder of the line;

and on page 1, lines 18 through 20, to delete the same;

and on page 1, line 21, to delete "*the county jail*"

the bracket before "[~~Criminal~~]" and to delete the strike through of "[~~Criminal littering is a Glass~~]" and "[~~mis~~]"

and on page 1, line 21, to insert "*A*" before "B" and to place brackets around "B"

and on page 2, line 1, to delete the strike through of "~~demeanor~~";

and delete the bracket after "*demeanor*";

and on page 4, line 4, to delete "*shall be fined not less than one hundred*"

and on page 4, lines 5 and 6, to delete the same;

and on page 4, line 7, to delete "*twelve (12) months in the county jail*" and delete the bracket before the word "~~is~~" and to remove the strike through from "~~is guilty of a~~";

and on page 4, line 8 to delete the strike through from "~~class B misdemeanor~~" and delete the bracket after the word "~~misdemeanor~~";

Floor Amendment No. 1 to Committee Substitute to **SB 191,** by Representative Kenton:

Amend printed copy of Committee Substitute to **SB 191,** page 12, line 5 and 13, after the word "The" by inserting the word "*clerk*"; and

on page 12, line 5, by placing brackets around and striking through the word "sheriff"; and on page 12, line 13, after the word "The" by inserting the word "*clerk*"; and

on page 12, line 13, by placing brackets around and striking through the word "sheriff".

Floor Amendment No. 1 to Committee Substitute to **SB 293,** by Representative Van Horn:

Amend printed copy of Committee Substitute to **SB 293** on page 1, line 18, by deleting the words "*or urban county*" and on line 19 by deleting the word "*government*"; and

on page 2, line 15, by deleting the comma "," and inserting in lieu thereof the word "*and*" and on line 16 by deleting the words "*and (5)*";

and on page 2, line 23, by deleting the words "*or urban county government*"; and

on page 3, line 6, by deleting the word "*area*" and by removing the bracket before the word "[~~county~~", and on line 7 by removing the bracket from after the word "~~class~~]"; and

on page 3, line 9, by deleting the comma "," and by inserting in lieu thereof the word "*and*" and by deleting the words "*and (5)*"; and

on page 4, line 5, by deleting subsection (5) in its entirety; and

on page 7, line 4, after the word "*thereof,*", by adding, "*except in urban county governments,.*"

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors of Bills and Resolutions. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members requested that their names be added as co-sponsors of Bills and Resolutions: Representative Burch, **HB 779;** Representative Caldwell, **HB 779;** Representative Cline, **HJR 54, HB 706;** Representative Craddock, **HB 779;** Representative Donnermeyer, **HB 779;** Representative Ellington, **HCR 80;** Representative Foster, **HB 779;** Representative Freibert, **HCR 61;** Representative Holbrook, **HB 523;** Representative Holloway, **HB 779;** Representative Long, **HB 779;** Representative Maggard, **HB 673;** Representative Moore, **HB 596;** Representative Morris, **HB 779;** Representative Robinson, **HB 768, HB 779;** Representative Schmidt, **HB 779,** Representative Todd, **HB 768,** Representative Worthington, **HB 779.**

Representative Craddock moved the adoption of the Legislative Citation No. 54:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Girl Scouts of the United States of America on your Seventieth Anniversary. We are highly honored to have you as our special guest and to share with you on this grand occasion, the birthday of Girl Scouts, today March 12, 1982. Your theme, "Girl Scouting—Going and Growing" giving gifts of water throughout Amercia during this special celebration are noteworthy. We are very proud that you are a part of this global effort "Water Decade" declared by the United Nations in 1980. Girl Scouting is dedicated to the principles of preparing girls and women for the future and in helping them achieve their fullest potential. Since 1912, with Juliette Low, as Founder, forty three million women play important roles in society.

This prestigious body salutes you for your dedication and outstanding contributions to the benefits of mankind. (Sponsored by Representative Craddock)

Agreed.

Representative Richards moved that **HB 754** be reassigned to the Committee on Appropriations and Revenue. Agreed.

A Discharge Petition was filed on **HB 523.**

Representative Johnson moved that the vote by which **HB 293** was defeated be reconsidered and that it be placed in Orders of the Day, March 15, 1982.

On the roll call the vote was yeas 37-Bendl, Bennett, Blevins, Boswell, Bronger, Caldwell, Clark, Clarke, Cowan, Donnermeyer, Dunn, Gray, Handy, Hines, Johnson, T. Jones, Kidd, Layman, LeMaster, List, Lundergan, Mann, McBee, Nett, O'Brien, Petty, Priddy, Richards, B. Richardson, Riner, Seum, Stumbo, Thomas, Thomason, Van Horn, Williams, Worthington. Nays 23-Allen, Arnold, Burnette, Dawahare, Endicott, Farrow, Ford, Freibert, Fryman, Holbrook, R. Jones, Kenton, Lefevers, Long, McNutt, Noe, Noland, Perkins, P. Richardson, Robinson, Schmidt, Todd, Turner.

The motion that the vote on **HB 293** be reconsidered and placed in Orders of the Day was adopted.

Representative LeMaster moved that the rules be suspended for Report of Committees. Agreed.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 162, HB 687, HB 366.**

Labor and Industry: **SB 184, HB 353, HB 612, HB 708, HR 55, SB 196.**

Cities: **SB 264, SB 339.**

State Government: **HB 487, HB 157, HR 78, HR 65, SB 168.**

Counties and Special Districts: **SB 341.**

Banking and Insurance: **HB 651, SB 206.**

Business Organizations and Professions: **SB 220, HB 637, HB 688, HB 265.**

Cities: **HB 755, HB 768, HB 729, HCR 70, SB 66.**

Judiciary-Criminal: **HCR 50, HB 777.**

Transportation: **HB 793, HB 801.**

Appropriations and Revenue: **HB 93, HB 570.**

The Clerk reported the following Bills and Resolutions have been withdrawn from Committee consideration:

Education: **HB 242.**

Cities: **HB 134, HB 685.**

Report of Committees

The Committee on Banking and Insurance reported **HB 718, SB 39,** with Committee Amendment attached thereto, **SB 160, SB 207,** and **SB 234** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 718, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9, IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company.

SB 39, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.20-040 is amended to read as follows:

(1) As used in this section:

(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or

2. Any other four-wheel motor vehicle with a load capacity of fifteen hundred (1500) pounds or less which is not used in the occupation, profession or business of the insured; provided, however, that this section shall not apply:

a. To any policy issued under an automobile assigned risk plan, or

b. To any policy insuring more than four automobiles, or

c. To any policy covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards.

(b) "Automobile liability insurance policy" includes only coverage for bodily injury and property damage liability, basic reparations benefits and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage.

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; provided, however, that any policy with a policy period or term of less than six (6) months shall for the purpose of this section be considered as if written for a policy period or term of six (6) months. Provided, further, that any policy written for a term longer than one (1) year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one (1) year, and such policy may be terminated at the expiration of any annual period upon giving twenty (20) days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section.

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any instalment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date.

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding one hundred dollars ($100) shall not be deemed a cancellation of the coverage or of the policy.

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) of this section applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation accompanied by the reason therefor shall be given. This subsection shall not apply to renewals.

(4) No insurer shall refuse to renew a policy of automobile insurance solely because of the age of the insured.

(5) No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least twenty (20) days' advance notice of its intention not to renew. This subsection shall not apply:

(a) If the insurer has manifested its willingness to renew; nor

(b) In case of nonpayment of premium. Provided, that, notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(6) Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation or nonrenewal to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(7) When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection *(5)* [~~(4)~~] of this section applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew. *Such notice shall also inform the insured that he may, within four (4) days, request the commissioner in writing to determine whether there is sufficient reason to cancel or not to renew the policy. An insured making such a request shall pay a fee of twenty-five dollars ($25.00) to the department. Within fourteen (14) days of receiving such a written request and fee, the commissioner shall send his findings to the insurer and to the insured. If the commissioner finds for the insured, the fee of twenty-five dollars ($25.00) shall be refunded to the insured, and the insurer shall pay twenty-five dollars ($25.00) to the commissioner within ten (10) days of receiving the commissioner's findings. When he sends his findings, the commissioner shall notify both parties of their right to request a hearing under KRS 304.2-310(2)(b).*

(8) The reason for nonrenewal or cancellation shall accompany or be included in the notice of nonrenewal or cancellation.

(9) There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employes, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation or nonrenewal, for any statement made by any of them in any written notice of cancellation or nonrenewal, or in any other communication, oral or written specifying the reasons for cancellation or nonrenewal, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

Committee Amendment No. 1 to **SB 39:**

Amend printed copy of **SB 39** on page 5, by deleting line 23 in its entirety;

and on page 5, line 24, by deleting the words "*twenty-five dollars ($25.00) to the department.*";

and on page 5, line 26, by deleting "*and fee*";

and on page 6, line 1, by deleting "*if the commissioner finds*"

and on page 6, by deleting lines 2 through 5 in their entirety;

and on page 6, line 6, by deleting "*findings.*".

SB 160, AN ACT relating to the Kentucky housing corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198A.010 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings:

(1) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the corporation under this chapter but shall not include any fund notes;

(2) "Commonwealth" means the Commonwealth of Kentucky;

(3) "Corporation" means the Kentucky housing corporation created by this chapter;

(4) "Sponsors" means persons, corporations, associations, partnerships or other entities, consumer housing cooperatives and limited dividend housing corporations, associations, partnerships or other entities organized pursuant to the Kentucky Revised Statutes for the primary purpose of providing housing to persons and families of lower income, and shall include without limitation, organizations engaged in the production,

origination and development of residential housing units intended to qualify for financial assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended;

(5) "Development costs" means the costs approved by the corporation as appropriate expenditures and credits which may be incurred by sponsors of residential housing, prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to:

(a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of such properties;

(b) Legal and organizational expenses, including payments of attorney's fees, project manager, clerical and other staff salaries, office rent and other incidental expenses;

(c) Payment of fees for preliminary feasibility studies and advances for planning, engineering and architectural work;

(d) Expenses for tenant surveys and market analyses;

(e) Necessary application and other fees; and

(f) Credits allowed by the corporation to recognize the value of service provided at no cost by the sponsors, builders and/or developers;

(6) "Fund notes" means the notes authorized to be issued by the corporation under the provisions of KRS 198A.080;

(7) "Governmental agency" means any city, county, or other political subdivision of the Commonwealth, the Commonwealth and any department, division or public agency thereof, the federal government or any political subdivision of any other state, any public housing authority or any nonprofit corporation or other entity legally empowered to act on behalf of any of the foregoing to perform the duties of a public housing authority, or any two (2) or more thereof;

(8) "Housing development fund" means the housing development fund created by KRS 198A.080;

(9) "Insured construction loan" means a construction loan for land development or residential housing which is secured by a mortgage either insured or guaranteed by or for which there is a commitment to insure or guarantee by (a) the United States of America or any agency or instrumentality thereof; or (b) any other entity which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth of Kentucky or any agency or instrumentality thereof;

(10) "Insured mortgage" or "insured mortgage loan" means a mortgage loan for land development for residential housing or for residential housing either made, insured or guaranteed by or for which there is a commitment to make, insure and guarantee by (a) the United States of America or any agency or instrumentality thereof; or (b) any other entity, *including private mortgage insurance,* which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth or any agency or instrumentality thereof and shall also refer to and mean any loan for residential housing not secured by mortgage which is insured or guaranteed to at least eighty-five percent (85%) of its principal amount by the United States of America or any agency or instrumentality thereof;

(11) "Land development" means the process of acquiring land primarily for residential housing construction for persons and families of lower income and making, installing or constructing nonresidential housing improvements, including water, sewer and other utilities, roads, streets, curbs, gutters, sidewalks, storm drainage facilities and other installations or works, whether on or off the site, which the corporation deems necessary or desirable to prepare such land primarily for residential housing construction;

(12) "Obligations" means any bonds, bond anticipation notes or fund notes authorized to be issued by the corporation under the provisions of this chapter;

(13) "Persons and families of lower income" means persons and families of insufficient personal or family income to afford decent, safe and sanitary residential housing without the financial assistance of the corporation as determined from time to time by the standards established by the corporation acting by and through its board of directors;

(14) "Residential housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons and families of lower income, including the acquisition, construction or rehabilitation of land, buildings and improvements thereto, and such other non-housing facilities as may be incidental or appurtenant thereto; and

(15) "Tenant programs and services" means services and activities for persons and families living in residential housing, including the following:

(a) Counseling on household management, housekeeping, budgeting, and money management;

(b) Child care and similar matters;

(c) Access to available community services related to job training and placement, education, health, welfare, and other community services;

(d) Guard and other matters related to the physical security of the housing residents;

(e) Effective management-tenant relations, including tenant participation in all aspects of housing administration, management and maintenance;

(f) Physical improvements of the housing, including buildings, recreational and community facilities, safety measures, and removal of code violations;

(g) Advisory services for tenants in the creation of tenant organizations which will assume a meaningful and responsible role in the planning and carrying out of housing affairs;

(h) Procedures whereby tenants, either individually or in a group, may be given a hearing on questions relating to management policies and practices, either in general or in relation to an individual or family.

Section 2. KRS 198A.030 is amended to read as follows:

(1) There is hereby created and established an independent, de jure municipal corporation and political subdivision of the Commonwealth which shall be a public body corporate and politic to be known as the Kentucky housing corporation.

(2) The Kentucky housing corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions and purposes in improving and otherwise promoting the health and general welfare of the people by the production of residential housing in Kentucky.

(3) The corporation shall be governed by a board of directors, consisting of sixteen (16) members, eight (8) of whom shall be the lieutenant governor, the secretary of the department of finance, the commissioner of the department for local government, the commissioner of revenue, the attorney general, the secretary of the cabinet for development, the secretary of transportation and the commissioner of commerce, or their duly appointed designees, as public directors, and eight (8) of whom shall be chosen from the general public residing in the Commonwealth, as private directors.

(4) Upon organization of the corporation, the governor shall appoint the eight (8) private directors to take office and to exercise all powers thereof immediately. Of the eight (8) directors of the corporation thus appointed, two (2) shall continue in office for terms of one (1) year, and two (2) for terms of two (2) years, two (2) for terms of three (3) years and two (2) for terms of four (4) years respectively as the governor shall designate; at the expiration of said terms and for all succeeding terms, the governor shall appoint a successor to the office of private director for a term of four (4) years in each case*; provided, however, such appointees shall serve until a qualified successor is appointed*.

(5) In case of a vacancy, the governor may appoint a person for such a vacancy to hold office during the remainder of the term.

(6) The governor may remove any private director whom he may appoint in case of incompetency, neglect of duty, gross immorality, or malfeasance in office; and he may declare his office vacant and may appoint a person for such vacancy as provided in other cases of vacancy.

(7) The governor shall designate a director of the corporation to serve as chairman. The term of the chairman shall extend to the earlier of either the date of expiration of his then current term as a director of the corporation or a date six (6) months after the expiration of the then current term of the governor designating such chairman.

(8) The board of directors shall annually elect one (1) of its members as vice chairman. The board of directors shall also elect or appoint, and prescribe the duties of, such other officers as the board of directors deems necessary or advisable, including an executive director and a secretary, and the board of directors shall fix the compensation of such officers.

(9) The executive director shall administer, manage and direct the affairs and business of the corporation, subject to the policies, control and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents and papers filed with the corporation, the minute book or journal of the corporation and its official seal. The secretary shall have authority to cause copies to be made of all minutes and other records and documents of the corporation and to give certificates under the official seal of the corporation to the effect that such copies are true copies, and all persons dealing with the corporation may rely upon such certificates.

(10) A majority of the board of directors of the corporation shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. *Such majority shall be determined by excluding any existing vacancies from the total number of board of directors* [~~, notwithstanding the existence of any vacancies~~].

(11) Action shall be taken by the corporation upon a vote of a majority of the directors present at a meeting at which a quorum shall exist called upon three (3) days' written notice to each director or upon the concurrence of at least *eight (8)* [~~seven (7)~~] directors.

(12) All directors shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties under this chapter. Each private director appointed pursuant to subsection (3) of this section shall be entitled to a fee of fifty dollars ($50) for attendance at each meeting of the board of directors.

Section 3. KRS 198A.040 is amended to read as follows:

The corporation shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter including, but without limiting the generality of the foregoing, the power:

(1) To make or participate in the making of insured construction loans to sponsors of land development or residential housing; provided, however, that such loans shall be made only upon the determination

by the corporation that construction loans have been refused in writing, wholly or in part, from private lenders in the Commonwealth of Kentucky upon reasonably equivalent terms and conditions;

(2) To make or participate in the making of insured mortgage loans to sponsors of residential housing; provided, however, that such loans shall be made only upon the determination by the corporation that mortgage loans have been refused in writing, wholly or in part, from private lenders in the Commonwealth of Kentucky upon reasonably equivalent terms and conditions;

(3) To purchase or participate in the purchase of insured mortgage loans made to sponsors of residential housing or to persons of lower income for residential housing; provided, however, that any such purchase shall be made only upon the determination by the corporation that mortgage loans have been refused in writing, wholly or in part, from private lenders in the Commonwealth of Kentucky upon reasonably equivalent terms and conditions;

(4) To make temporary loans from the housing development fund;

(5) To collect and pay reasonable fees and charges in connection with making, purchasing and servicing its loans, notes, bonds, commitments and other evidences of indebtedness;

(6) To acquire real property, or any interest therein, by purchase, foreclosure, lease, sublease, or otherwise; to own, manage, operate, hold, clear, improve and rehabilitate such real property; and to sell, assign, exchange, transfer, convey, lease, mortgage or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purpose of the Kentucky housing corporation;

(7) To sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction, land development, mortgage or temporary loan of any type permitted by this chapter;

(8) To procure insurance against any loss in connection with its operations in such amounts, and from such insurers, as it may deem necessary or desirable;

(9) To consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purposes, to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms, of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the corporation is a party;

(10) To acquire, establish, operate, lease and sublease residential housing for persons and families of lower income and to enter into agreements or other transactions with any federal, state or local governmental agency for the purpose of providing adequate living quarters for such persons and families in cities and counties where a need has been found for such housing and where no local housing authorities or other organizations exist to fill such need;

(11) To include in any borrowing such amounts as may be deemed necessary by the corporation to pay financing charges, interest on the obligations for a period not exceeding two (2) years from their date, consultant, advisory and legal fees and such other expenses as are necessary or incident to such borrowing;

(12) To make and publish rules and regulations respecting its lending programs and such other rules and regulations as are necessary to effectuate its corporate purposes;

(13) To provide technical and advisory services to sponsors of residential housing and to residents and potential residents thereof, including but not limited to, housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources;

(14) To promote research and development in scientific methods of constructing low cost residential housing of high durability;

(15) To encourage community organizations to participate in residential housing development;

(16) To make, execute and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, or other organization or entity, necessary to accomplish the purposes of this chapter;

(17) To accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source whatsoever and to agree to, and to comply with, conditions attached thereto;

(18) To sue and be sued in its own name, plead and be impleaded;

(19) To maintain an office in the city of Frankfort and at such other place or places as it may determine;

(20) To adopt an official seal and alter the same at pleasure;

(21) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(22) To employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers and such other consultants and employes as may be required in the judgment of the corporation and to fix and pay their compensation from funds available to the corporation therefor, *provided that any personal service contracts entered into shall be subject to review by the personal service contract review subcommittee of the legislative research commission*;

(23) To invest any funds held in reserve or in sinking fund accounts or any monies not required for immediate disbursement in obligation guaranteed by the Commonwealth, the United States, or their agencies

or instrumentalities; provided, however, that the return on such investments shall not violate any rulings of the internal revenue service regarding the investment of the proceeds of any federally tax exempt bond issue;

(24) To make or participate in the making of rehabilitation loans to the sponsors or owners of residential housing; provided, however, that any such rehabilitation loan shall be made only upon the determination by the corporation that the rehabilitation loan was not otherwise available wholly or in part from private lenders upon reasonably equivalent terms and conditions;

(25) To insure or reinsure construction, mortgage, and rehabilitation loans on residential housing; provided, however, that any such insurance, reinsurance or waiver shall be made only upon the determination by the corporation (a) that such insurance or reinsurance is not otherwise available wholly or in part from private insurers upon reasonable equivalent terms and conditions; and (b) that such loan is a reasonably sound business investment; and provided further that insurance may be waived only where the corporation finds that the amount of the loan does not exceed eighty-five percent (85%) of the development costs, or eighty-five percent (85%) of the value of the property secured by the mortgage as determined by at least two (2) appraisers who are independent of the sponsors, builders and developers;

(26) To make grants from appropriated funds, agency and trust funds, and any other funds from any source available to the corporation, to sponsors, municipalities, local housing authorities and to owners of residential housing for the development, construction, rehabilitation or maintenance of residential housing and such facilities related thereto as corporation shall deem important for a proper living environment, all on such terms and conditions as may be deemed appropriate by the corporation;

(27) To make periodic grants to reduce principal and interest payments on mortgages or rentals payable by persons and families of lower income; and

(28) The Kentucky housing corporation shall be exempt from the regulations of the department of insurance and the laws of the Commonwealth relating thereto.

Section 4. KRS 198A.060 is amended to read as follows:

(1) The *loan agreement or the* articles of incorporation, association, partnership or other governing documents of any sponsor, builder or developer assisted under this chapter shall contain, in addition to other requirements of law:

(a) That the corporation, cooperative or association has been organized to provide housing facilities and such social, recreational, commercial and community facilities as may be incidental or appurtenant thereto for persons or families of lower income;

(b) That the operations of the corporation, cooperative or association may be supervised by the Kentucky housing corporation and that the corporation, cooperative or association shall enter into such agreements with the Kentucky housing corporation as the Kentucky housing corporation from time to time requires, providing for regulation by the Kentucky housing corporation of the planning, development and management of any residential housing undertaken by the corporation, cooperative or association and their disposition of the property and franchises;

(c) That the Kentucky housing corporation shall have the power to appoint to the board of directors of the corporation, cooperative or association a number of new directors, which number shall be sufficient to constitute a majority of the board, if the corporation, cooperative or association has received a loan or advance under this chapter and the Kentucky housing corporation determines that the loan or advance is in jeopardy of not being repaid, or that the residential housing for which the loan or advance was made is in jeopardy of not being constructed.

(2) The articles of incorporation, association, partnership or other governing documents of any limited dividend corporation, association or entity of any sponsor, builder or developer assisted under this chapter shall provide, in addition to other requirements of law, that every stockholder or member shall be deemed to have agreed that he shall not receive from the corporation, association or entity in repayment of his investment any sums in excess of the face value of the investment attributable to his respective interest plus cumulative dividend payments at such rate as the Kentucky housing corporation deems to be reasonable and proper.

Section 5. KRS 198A.080 is amended to read as follows:

(1) There is hereby created and established a [~~special revolving~~] loan fund to be known as the housing development fund and to be administered by the corporation as a trust fund separate and distinct from *all* [~~any~~] other moneys, [~~or~~] funds *or assets* administered by the corporation.

(2) The housing development fund shall be comprised of and the corporation is hereby authorized to receive and accept for the housing development fund the proceeds of grants, contributions, appropriations, repayment of loans made from the fund, the proceeds of fund notes and any other monies which may be made available to the corporation for the purposes of the housing development fund from any other source. The corporation is hereby authorized to receive and accept from any source whatever any grants or contributions for the housing development fund. The corporation is [~~further~~] authorized to provide for the issuance, at one time or from time to time, of housing development fund notes for the purpose of providing funds for such fund; provided, however, that not more than $5,000,000 fund notes *or other borrowings* shall be outstanding at any one time. The principal of and the interest on any such fund notes shall be payable solely

from the housing development fund. The fund notes of each issue shall be dated, shall mature at such time or times not exceeding ten years from their date or dates, and may be made redeemable before maturity, at the option of the corporation, at such price or prices and under such terms and conditions as may be determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state or any agent, including the lender. In case any officer whose signature or a facsimile of whose signature shall appear on any fund notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon fund notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Any such fund notes shall bear interest at such rate or rates as may be determined by the corporation and may be sold in such manner, either at public or private sale, and for such price as the corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter.

(3) The proceeds of any fund notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the corporation may provide in the resolution authorizing the issuance of such fund notes. The corporation may provide for the replacement of any fund notes which shall become mutilated or shall be destroyed or lost.

(4) Fund notes may be issued under the provisions of this section without obtaining the consent of any department, division, commission, board, body, bureau or agency of the state, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this chapter and the provisions of the resolution authorizing the issuance of such fund notes.

(5) The purpose of the housing development fund is to provide a source from which the corporation may make loans and grants, and the corporation is authorized to make loans and grants from the housing development fund, at such interest rate or rates *and such term or terms* as may be determined by the corporation to be for the best interest of the corporation and best effectuate the purpose of this chapter, and with such security for repayment as the corporation deems reasonably necessary and practicable, to:

(a) Defray development costs of sponsors, builders and developers of residential housing, or

(b) Provide to persons and families of lower income who are applying for mortgages, either for purchase or rehabilitation of residential housing the amounts required to make down payments, pay closing costs, or make interest payments, or

(c) Make or participate in the making of construction loans which are not federally insured to sponsors, builders and developers of land development or residential housing; provided, however, that such loans shall be made only upon the determination by the corporation that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

(6) No temporary loans shall be made by the corporation from the housing development fund except in accordance with a written agreement which shall include, without limitation, the following terms and conditions:

(a) The proceeds of such loan shall be used only for the purpose for which such loan shall have been made as provided in the agreement;

(b) Such loan shall be repaid in full as provided in the agreement;

(c) All repayments in connection with a loan to defray development costs shall be made concurrent with receipt by the borrower of the proceeds of a construction loan or mortgage loan, as the case may be, or at such other times as the corporation deems reasonably necessary or practicable; and

(d) Such security for repayment shall be specified and shall be upon such terms and conditions as the corporation deems reasonably necessary or practicable to insure all repayments.

(7) No funds from the housing development fund shall be used to carry on propaganda or otherwise attempt to influence legislation.

(8) (a) Notwithstanding other provisions of this section, the corporation may make loans secured by a mortgage from the housing development fund to enable a person sixty-two (62) years of age or older who owns the home in which he resides, whose income combined with his spouse does not exceed six thousand dollars ($6,000), and who meets any other reasonable standards established by the corporation to make repairs to his home including but not limited to siding, weatherstripping, roofing, gutters, electrical wiring, plumbing, and installation of sewers.

(b) The maximum principal amount of such loans shall not exceed seven thousand dollars ($7,000) and the maximum interest rate shall not exceed three percent (3%). All loans shall be repayable over a period of thirty (30) years. Upon the death of the borrowers prior to maturity, the unpaid balance shall be paid in full by the person to whom the house has passed by devise or descent.

(c) The corporation shall make loans under this section in an equal number in each of the seven (7) congressional districts.

SB 207, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.6-020 is amended to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Good will, trade names and other like intangible assets.

(2) Advances to officers or directors (other than policy loans) whether secured or not, and advances to employes, agents and other persons on personal security only.

(3) Stock of such insurer, owned by it, [~~or any equity therein~~] or loans secured thereby. Any such stock owned by such insurer shall be held as treasury stock and be deducted from the total issue of outstanding shares.

(4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies (other than equipment) authorized under subsection (1) of KRS 304.6-010), except in the case of title insurers such materials and plants as the insurer is expressly authorized to invest in under paragraph (k) of subsection (1) of KRS 304.6-010 and except, in the case of an insurer, such personal property as the insurer is permitted to hold pursuant to subtitle 7 or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer, other than real estate used by it for home office, branch office and similar purposes.

(5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

SB 234, AN ACT relating to financial institutions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section the following terms shall have the following respective meanings:

(a) "Check" means any check, draft, or similar order for the withdrawal or payment of money, but such term does not include any counter check or similar draft or order, nor does it include any check, draft or order provided upon the opening of any account for use by the customer until printed checks for such account have been prepared;

(b) "Federal or state financial institution" means any financial institution and any bank, savings and loan association, or credit union organized under the laws of the United States and operated in this state;

(c) "Personal checking account" means any demand or similar deposit account that is opened or established in the name of one (1) or more natural persons with a federal or state financial institution subsequent to the effective date of this Act and from which signatories on the account can withdraw or order the payment of funds by using a check.

(2) All checks provided directly or indirectly by a federal or state financial institution for use in connection with a particular personal checking account shall have the numerical month and year in which the account was opened legibly printed on the faces of the checks.

The Committee on Business Organizations and Professions reported **HB 153,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Substitute to **HB 153:**

HB 153, AN ACT relating to skiers and ski area operators.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

It is recognized that there are inherent risks in the sport of skiing that are essentially impossible to eliminate by the ski area operator but that should be known by the skier. It is the purpose of this Act to define those areas of responsibility and affirmative acts for which the ski area operator is liable for loss, damage, or injury and those risks for which the skier expressly assumes or shall be considered to have voluntarily assumed the risk of loss or damage and for which there can be no recovery.

SECTION 2. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

As used in this Act, the following definitions apply:

(1) "Skier" means any person admitted to a ski area under the control of a ski area operator for the purpose of engaging in the sport of skiing by using the ski slopes, trails, and areas and does not include a person using an aerial passenger tramway.

(2) "Ski slopes, trails, and areas" means those areas designated by the ski area operator to be used by skiers for the purpose of participating in the sport of skiing.

SECTION 3. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

A ski area operator shall:

(1) Mark all trail maintenance vehicles and furnish the vehicles with flashing or rotating lights that must be in operation whenever the vehicles are working or are in movement in the ski area;

(2) Mark with a visible sign or other warning implement the location of any hydrant or similar equipment used in snowmaking operations and located on ski slopes, trails, and areas;

(3) Maintain one (1) or more trail boards at prominent locations at each ski area displaying that area's network of ski trails and slopes;

(4) Post a notice of the requirement for the use of ski-retention devices;

(5) Designate by trail board or otherwise which trails or slopes are open or closed; and

(6) Mark, at the base of a slope or hill where skiers embark on a passenger tramway serving the slope or hill or at the top of a trail or slope, such slopes, trails, and hills with signs indicating their relative degree of difficulty. The signs must be the type that have been approved by the national ski areas association and are in current use by the industry.

SECTION 4. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

(1) The department or agency which administers the state elevator inspection program shall administer the passenger tramway inspection program, and shall promulgate rules and regulations it deems necessary for its administration.

(2) A ski area operator's responsibility regarding passenger tramways shall include, but not be limited to, insuring operating personnel are adequately trained and are adequate in number; and meeting all rules and regulations regarding the safe operation and maintenance of all passenger lifts and tramways, including all necessary inspections and record keeping.

SECTION 5. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

No passenger may:

(1) Board or disembark from a passenger tramway except at an area designated for such purposes;

(2) Throw or expel any object from a passenger tramway;

(3) Commit an act that interferes with the running or operation of a passenger tramway;

(4) Use a passenger tramway unless the passenger has the ability to use it safely without any instruction on its use by the operator or requests and receives instruction before boarding; or

(5) Embark on a passenger tramway without the authority of the operator.

SECTION 6. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

(1) A skier assumes the risk and all legal responsibility for injury to himself or loss of property that results from participating in the sport of skiing by virtue of his participation. The assumption of risk and responsibility includes but is not limited to injury or loss caused by the following: variations in terrain, surface or subsurface snow or ice conditions, bare spots, rocks, trees, other forms of forest growth or debris, lift towers and components thereof, pole lines, and plainly marked or visible snowmaking equipment.

(2) A skier is responsible for knowing the range of his own ability to ski any slope, trail, or area and for skiing within the limits of his ability, skiing only on designated slopes and trails, maintaining control of speed and course at all times while skiing, heeding all posted warnings, and refraining from acting in a manner that may cause or contribute to the injury of anyone. A skier is responsible for refraining from causing collisions with any person or object while skiing.

(3) A person who is skiing may not place an object in the ski area or on the uphill track of a passenger tramway that may cause a passenger or skier to fall, cross the track of a passenger tramway except

at a designated and approved area, or if involved in a skiing accident, depart from the scene of the accident without leaving personal identification before notifying the proper authorities or obtaining assistance when the skier knows that a person involved in the accident is in need of medical or other assistance.

The Committee on Business Organizations and Professions reported **HB 670, HB 821,** and **HB 444** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 670, AN ACT relating to tourism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The general assembly hereby finds and declares that the health, safety and welfare of the people of the Commonwealth of Kentucky are enhanced by the continual encouragement, development, growth and expansion of private enterprise within this Commonwealth and that there are certain areas in the Commonwealth with unrealized potential for tourism-related development that need particular attention to help attract private sector investment into these areas. It is the purpose of this Act to create new employment, to stimulate economic activity and to increase local and state tax revenues by attracting tourism-related capital investments to these areas by offering the investors certain incentives and by providing that certain tourism-related government resources and efforts be concentrated in these areas.

SECTION 2. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Tourism development area" means a county or two (2) or more contiguous counties certified by the office of tourism development, department of economic development, which include or are adjacent to developable attractions, and which have specified accessibility and which have a demonstrable lack of tourism-supporting facilities.

(2) "Developable attraction" means a natural attraction, including but not limited to lakes, rivers, mountains, caves, gorges, and forests, or a man-made attraction, including but not limited to theme parks, museums, historic sites, shrines, and resort parks, any of which could attract annually five hundred thousand (500,000) or more tourists, two hundred thousand (200,000) of which would be overnight tourists, as determined by the economic development department.

(3) "Specified accessibility" means a distance not greater than twenty-five (25) highway miles from a principal city of the county to an interchange of a limited-access highway, except such mileage limitation may be waived and increased to fifty (50) highway miles by the economic development department when the department determines that such a waiver would enable the inclusion of a county in a tourism development area which is contiguous to other counties in such an area, and when such an inclusion would be of economic benefit to those counties.

(4) "Demonstrable lack of tourism-supporting facilities" means:

(a) A county has less than a total of one thousand (1,000) hotel and motel rooms, excluding rooms in state-operated facilities, or a county has a total of one thousand (1,000) or more hotel and motel rooms, but the total number of such rooms in hotels and motels having one hundred (100) or more rooms each is less than the total number of rooms in hotels and motels having less than one hundred (100) rooms each; and

(b) A county has less than one hundred (100) restaurants, or a county has one hundred (100) or more restaurants but less than twenty-five (25) restaurants having a seating capacity each of one hundred (100) or more persons, or a county has one hundred (100) or more restaurants but with less than eighty-five hundredths (0.85) of such restaurants having a seating capacity each of fifty (50) persons or more per one thousand (1,000) population.

(5) "Tourism development district" means an area designated by a fiscal court of a county contained in a tourism development area, comprising one or more contiguous precincts, up to a maximum of six (6) precincts; provided that such precinct or precincts incorporate or are adjacent to a developable attraction.

(6) "Qualified project" or "qualified property" means:

(a) The construction of any facility, or major renovation of any facility that has been out of business for at least three (3) months prior to the start of a project within a tourism development district, undertaken after the date of establishment of such district, provided that such facility is:

1. A hotel or motel with a total of one hundred and fifty (150) or more lodging rooms, or a hotel or motel with a total of one hundred (100) or more lodging rooms which also includes a restaurant with a minimum table seating capacity of fifty (50); or

2. A resort or camp with a total of one hundred (100) or more lodging spaces contained in at least twelve (12) permanent furnished structures, such as cabins or cottages, which contain all normal modern conveniences; or

3. A restaurant with a minimum table seating capacity of one hundred (100) persons which derives fifty percent (50%) of its revenues from the sale of food; or

4. A campground with a minimum of one hundred (100) improved sites, each having electrical connections and water hookups, and which includes a permanent service structure, a store, and a bathhouse with facilities for twelve (12) persons; or

5. A marina or dock with individual covered slips for a minimum of seventy-five (75) craft, or a marina or dock with individual uncovered slips for a minimum of one hundred and fifty (150) craft, which includes a public launching facility, a fueling facility, a store with boating supplies, fishing tackle and bait, restrooms, and facilities for the routine maintenance and repairs of small craft, and which is open to the public or to registered guests of a lodging facility that is a qualified property; or

6. A lodging, resort or clubhouse facility which includes a 9-hole or 18-hole regulation golf course, and a minimum of six (6) lighted regulation tennis courts, all of which are open to the public or to registered guests of a lodging facility that is a qualified property; or

7. A theme park or amusement park having a minimum capital investment, excluding the cost of land, of two million five hundred thousand dollars ($2,500,000); or

8. An indoor or outdoor theater, entertainment barn or other facility with a minimum seating capacity of two hundred (200) persons which will have a minimum of three (3) live performances per week for at least six (6) months per year, providing such facility has a permanent stage, dressing, seating, lighting and sound, box office, concessions and restroom facilities; and

(b) Provided that such project or property is operated and managed for tourism-related purposes, or is to be sold or resold to a qualified party for tourism-related purposes;

(c) An addition to an existing facility which would make such facility a qualified project or property shall be construed as a qualified project or property.

(7) "Special levy business" means:

(a) Any facility resulting from a qualified project or property; or

(b) Any hotel, motel, inn, resort, or lodging facility; restaurant, snack bar, cafeteria or dining facility; marina or dock; gift shop, crafts shop or antique shop; golf course or complex for tennis, racquetball, or any other tourism-related facility located in a tourism development district which began operation prior to the establishment of a tourism development district and has been in operation for at least two (2) years after establishment of a district or which begins commercial operations after establishment of a tourism development district.

SECTION 3. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The fiscal court of any county, or the legislative body of any urban county government, upon certification of the county as a tourism development area may establish and create a tourism development district by designating any one (1) or more contiguous precincts, but not more than six (6) precincts, as a tourism development district, provided such precincts incorporate or border a developable attraction.

(2) No more than three (3) tourism development districts may be established within a county, provided that the total number of precincts included in all districts within a county is less than half of the total number of all precincts in the county as existed at the time the county was designated a tourism development area.

(3) Once a tourism development district is established, it shall maintain, for the purposes of this Act, the specific geographic boundaries of the district which existed at the time of the district's establishment, even though the precincts from which the district was first created and established may have changed in number or area.

(4) Tourism development districts may be established separately or simultaneously, providing all such establishments are made within one (1) year from the designation of the county as a tourism development area.

(5) Upon establishment of a tourism development district, the county shall certify to the department of economic development such act along with an exact description of the geographic boundaries of the district.

(6) The establishment of a tourism development district shall remain in effect during the period beginning on the date of establishment and ending on the last day of the thirty-sixth (36th) month following such establishment, except that any special tax levy authorized under Section 5 of this Act shall continue in effect until the end of the fifth (5th) year following such establishment. The provisions of this Act shall

be applicable to any qualified project or property which begins within the thirty-six (36) month period specified, and shall continue to be applicable to any such project or property until completion of said project.

SECTION 4. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) State income taxes on capital gains from the sale of a facility resulting from a qualified project within a tourism development district, so long as such district shall exist, are abolished.

(2) All interest payments on loans made to qualified projects or on mortgage loans on any property of a qualified project within a tourism development district shall be exempt from state taxes.

(3) Building materials used in remodeling, rehabilitation or new construction of a qualified project in a tourism development district, certified by the purchaser to be used for these purposes, shall be exempt from state sales and use taxes.

(4) All state sales and use taxes on new and used equipment, furnishings and machinery purchased for qualified projects for use in a tourism development district are abolished.

(5) In accordance with KRS Chapter 154, the Kentucky development finance authority may enter into any contract or agreement, as may be necessary, with the borrower or with an insurance corporation, to lend or to guarantee the lending of an amount up to fifty (50) percent of a qualified project's cost.

(6) A tourism development district shall be eligible for cooperative advertising and promotion funds under the office of tourism development's matching funds program. Requests from tourism development districts shall receive priority in allotting undistributed and contingency funds of such program.

SECTION 5. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The fiscal court of any county or legislative body of any urban county government containing one (1) or more tourism development districts may levy a license tax not to exceed one-fourth of one percent (.25%) on gross receipts of special levy businesses, provided that such tax is levied uniformly within all tourism development districts within the county's jurisdiction. All moneys collected from the license tax shall be placed in the general fund of the county. Such license tax shall remain and continue in effect in the district until the end of the fifth (5th) year following the establishment of such tourism development district. Such license tax shall be in addition to any transient room tax that may be imposed in accordance with KRS 91A.390.

SECTION 6. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The office of tourism development of the department of economic development, shall administer the provisions of this Act and shall have the following powers and duties:

(1) To establish criteria for determining what areas qualify as tourism development areas and to certify tourism development areas.

(2) To monitor the implementation of this Act and submit by October 1 of each year preceding a regular session of the general assembly, reports evaluating the effectiveness of this Act and providing any suggestions for legislation to the governor, the secretary of commerce and the general assembly.

(3) To conduct a continuing evaluation of tourism development areas and tourism development districts.

(4) To promulgate all necessary rules and regulations to carry out the purposes of this Act.

(5) To provide information and appropriate assistance to persons desiring to locate and engage in business in a tourism development district, regarding the requirements of this Act, state licenses, permits, certificates, approvals, registrations, charters, and any other forms of permission as may be required by law of persons who engage in business in the Commonwealth, except that any authority delegated to the office of tourism development under the provisions of this Act, shall not be construed as a derogation of the powers, duties and responsibilities granted by law to any agency that is authorized to issue licenses.

HB 821, AN ACT relating to cooperative corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

As used in KRS Chapter 272, unless specifically defined in another section or unless the context otherwise requires:

(1) "Association" means a group legally incorporated under this Act, and shall be classed as and deemed to be a nonprofit corporation, since its primary objective is not to make profits for itself, as such, but to allocate and distribute its profits solely for the benefit of its members or other patrons permitted by its articles.

(2) "Member" means a member of a nonshare or share association.

(3) "Net savings" means the total income of an association less the costs of operation.

(4) "Savings returns" means the amount returned to patrons in proportion to their patronage or otherwise.

(5) "Cooperative basis" means a business concern that distributes the net profit of its business by first paying a fixed dividend upon its stock, and then prorating the remainder of its profits to its stockholders or customers, or both, as provided by bylaws or statutes, upon their purchases from or sales to the corporation.

(6) "Membership capital" means those funds of the association derived from the members generally, either as a requirement of membership or in lieu of patronage dividends. Deposits and loans from members shall not be construed as "membership capital."

(7) "Invested capital" means those funds invested in the association by an investor with the expectation of receiving investment dividends.

(8) "Investment dividends" means the return on invested capital or on membership capital derived from the net savings of the association.

(9) "Patronage dividends" means a share of net savings distributed among members on a basis of extent of patronage, as provided for in the articles of incorporation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

An association incorporated under this Act is subject to the provisions of KRS Chapter 273, to the extent that the provisions of KRS Chapter 273 do not conflict with the provisions of this Act. An association incorporated under this Act may exercise the same powers and privileges and is subject to the same duties, restrictions, and liabilities as nonprofit corporations, except to the extent that these are limited or enlarged by this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Five (5) or more natural persons or two (2) or more associations may incorporate under this Act; provided, however, an association may not incorporate or organize to serve or function as a health maintenance organization or furnish medical or health care, nor may an association employ or contract with providers of medical care or other regulated services in any manner which is prohibited by any licensing law of the Commonwealth under which such persons are licensed.

SECTION 4. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

An association may be incorporated under this Act to engage in acquiring, producing, building, operating, manufacturing, furnishing, exchanging, or distributing any type of property, commodities, goods, or services for the primary and mutual benefit of the members of the association.

SECTION 5. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) An association shall have the capacity to act possessed by natural persons and the authority to do anything required or permitted by this Act and also:

(a) To continue as a corporation for the time specified in its articles;

(b) To sue and be sued in its corporate name;

(c) To make bylaws for the government and regulation of its affairs;

(d) To acquire, own, hold, sell, lease, pledge, mortgage, or otherwise dispose of any property incident to its purposes and activities;

(e) To own and hold membership in and share capital of other associations and any other corporations, and any type of bonds or other obligations; and while the owner thereof to exercise all the rights of ownership;

(f) To borrow money, contract debts, and make contracts, including agreements of mutual aid or federation with other associations, other groups organized on a cooperative basis, and other nonprofit groups;

(g) To conduct its affairs within or without the Commonwealth of Kentucky;

(h) To exercise all powers not inconsistent with this chapter which may be necessary, convenient or expedient for the accomplishment of its purposes, and, to that end, the foregoing enumeration of powers shall not be deemed exclusive.

(2) An association may not engage, either directly or indirectly, in insurance, banking, medical, legal or other services which would be inconsistent with the laws of this Commonwealth.

SECTION 6. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The association's name shall be written in English letters or characters and shall include the word "cooperative" or any commonly recognized abbreviation of this word.

(2) The corporate name shall not contain any word or phrase which indicates or implies:

(a) That the corporation is organized for any purpose not permitted under KRS 273.161 to 273.390.

(b) Anything which, in the reasonable judgment of the secretary of state, is obscene.

(3) The corporate name shall not be the same or confusingly similar to:

(a) The name of any domestic or foreign corporation, foreign limited partnership, or any assumed name registered with the secretary of state pursuant to KRS 365.015; any reserved or registered name reserved or registered in the manner provided by law.

(b) Any name prohibited by any other law of this state.

(4) The provision set forth in subsection (3) of this section shall not apply if:

(a) The written consent of such other corporation or holder of a reserved or registered name, foreign limited partnership, or assumed name holder, to use a deceptively similar name has been obtained. The name shall contain at least one (1) descriptive word or characters which distinguish it from such other name to the satisfaction of the secretary of state and;

(b) The written consent for the use of a similar name shall be signed by the president or secretary of the corporation giving consent and verified by a notary public.

SECTION 7. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The articles of incorporation shall be signed by each incorporator and acknowledged by at least three (3) of them if natural persons, and by the presidents and secretaries, if associations, before an officer authorized to take acknowledgments and shall be delivered to the secretary of state in triplicate originals.

SECTION 8. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The articles of incorporation shall set forth:

(a) The name of the association;

(b) The period of duration, which may be perpetual;

(c) The purpose or purposes for which the association is organized which may be stated to be, or to include, the transaction of any and all lawful business for which associations may be incorporated under this chapter;

(d) A statement of whether the association is organized with or without shares, the number and types of shares and the par value; if any, and the rights, preferences and restriction of each type of share;

(e) The minimum number or value of shares which must be owned in order to qualify for membership; if organized without shares, a statement of whether the property rights of members shall be equal or unequal, and if unequal, the rule by which their rights shall be determined;

(f) The maximum amount or percentage of capital which may be owned or controlled by any member; including a statement of whether or not each member shall be limited to a single share, and whether such single share shall be of various par values;

(g) The method by which any surplus, upon dissolution of the association, shall be distributed, in conformity with the requirements of this Act for division of such surplus;

(h) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the association, including any provision restricting the transfer of shares and any provision which under this chapter is required or permitted to be set forth in the bylaws, it shall not be necessary to set forth in the articles of incorporation any of the powers enumerated in this Act;

(i) The address, including the street, number, city and county of its principal place of business;

(j) The address including street and number of its initial registered office, and the name of its initial registered agent at such address;

(k) The number of directors constituting the initial board of directors and the names and addresses, including streets and numbers, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify;

(l) The name and address including street and number of each incorporator.

SECTION 9. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The articles of incorporation in triplicate originals shall be delivered to the secretary of state. If he finds that the articles of incorporation have been signed and acknowledged according to law, he shall, when all taxes, fees and charges have been paid as required by law, record one (1) original in his office, and issue a certificate of incorporation.

(2) The certificate of incorporation together with the remaining original articles of incorporation, endorsed with the fact and time of recording in the office of the secretary of state, shall be returned to the incorporator or incorporators or his or their representatives. One (1) original shall then be filed with and recorded by the county clerk of the county in which the registered office of the association is situated, and the other shall be retained by the association.

SECTION 10. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

An association shall maintain a registered office and registered agent in accordance with the provisions of KRS 273.181. An association may change its registered office and registered agent in accordance with the provisions of KRS 273.181. Process may be served on an association in accordance with the provisions of KRS 273.183.

SECTION 11. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) An amendment to the article may be proposed by a two-thirds (⅔) vote of the board of directors or by petition of the association's members as provided in the bylaws. The secretary shall send notice of a meeting to consider an amendment to each member at the member's last known address, or shall post a written notice of the meeting in a conspicuous place in all principal places of activity of the association. Either type of notice shall be accompanied by the full text of the proposal and by the text of the part of the articles to be amended, at least thirty (30) days before the meeting.

(2) Two-thirds (⅔) of the members voting may adopt an amendment. When adoption of an amendment is verified by the president and secretary, it shall be filed and recorded with the secretary of state within thirty (30) days after its adoption and the fees as prescribed by law shall be paid.

SECTION 12. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Bylaws may be adopted, amended, or repealed by a simple majority vote of the members voting, unless the articles or bylaws require a greater majority.

(2) Subject to the limitations of this Act, the bylaws may provide for:

(a) The requirements for the admission to membership and disposal of members' interests on cessation of membership;

(b) The time, place and manner of calling and conducting meetings;

(c) The number or percentage of the members constituting a quorum;

(d) The number, qualifications, powers, duties, method of election, and terms of directors and officers, and the division of classification, if any, of directors to provide for rotating or overlapping terms;

(e) The compensation, if any, of the directors, and the number of directors necessary to constitute a quorum;

(f) The method of distributing the net savings;

(g) The bonding of every individual acting as officer or employe of an association handling funds or securities; and

(h) The various discretionary provisions of this Act as well as other provisions incident to the purposes and activities of the association.

SECTION 13. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Regular meetings of members shall be held as prescribed in the bylaws, but shall be held at least once a year. Special meetings may be demanded by a majority vote of the directors or by written petition of at least one-tenth (1/10) of the membership. When a meeting is demanded, it is the duty of the secretary to call the meeting for a date thirty (30) days after the demand. Regular or special meetings, including meetings by units, may be held inside or outside this state as the articles may prescribe.

(2) The secretary shall give notice of the time and place of meetings to members in the manner provided for in the bylaws. In the case of a special meeting the notice shall specify the purpose for which the meeting is called.

(3) The articles or bylaws may provide for the holding of meetings by units of the membership and may provide for a method of transmitting the vote cast at unit meetings to the central meeting, or for a method of representation of units by the election of delegates to the central meeting, or for a combination of both methods.

SECTION 14. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Each member of an association has one (1) vote, except that if an association includes among its members any number of other associations or groups organized on a cooperative basis, the voting rights of the member association or group may be as prescribed in the articles or bylaws.

(2) No voting agreement or other device to evade the one-member one-vote rule is enforceable.

(3) No member may vote by proxy.

SECTION 15. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The articles or bylaws may provide for either or both of the following procedures for voting by mail:

(a) The secretary may send to the members a copy of any proposal to be offered at a meeting with the notice of the meeting, and the mail votes cast by the members shall be counted together with those cast at the meeting if the mail votes are returned to the association within a specified number of days;

(b) The secretary may send to any member absent from a meeting an exact copy of the proposal acted on at the meeting, and the mail vote of the member on the proposal, if returned within a specified number of days, is counted together with the votes cast at the meeting.

(2) The articles or bylaws may also determine whether and to what extent mail votes are counted in computing a quorum.

(3) If an association has provided for voting by mail, any provision of this Act referring to votes cast by the member applies to votes cast by mail.

SECTION 16. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

If an association has provided for voting by delegates, any provision of this Act referring to votes cast by the members applies to votes cast by delegates, but this does not permit delegates to vote by mail.

SECTION 17. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) An association shall be managed by a board of directors of not less than five (5) directors, who are elected for a term fixed in the bylaws not to exceed three (3) years, by and from the members of the association, and who hold office until their successors are elected and assume office, or until removed. Vacancies which occur in the board of directors, other than by removal or expiration of term, are filled in the manner the bylaws provide.

(2) The bylaws may provide for a method of apportioning the number of directors among the units into which the association may be divided, and for the election of directors by the respective units to which they are apportioned.

(3) An executive committee of the board of directors may be elected in the manner and with the powers and duties as prescribed by the articles or bylaws.

(4) Meetings of directors and the executive committee may be held inside or outside this state.

SECTION 18. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The officers of an association shall be a president, one (1) or more vice-presidents, a secretary and a treasurer or a secretary-treasurer. Any two (2) or more offices may be held by the same person, except the offices of president and secretary. The officers of an association may be designated by such other titles as may be provided in the articles of incorporation or the bylaws. A committee duly designated may perform the functions of any office, and the functions of any two (2) or more officers may be performed by a single committee, including the functions of both president and secretary. The officers are elected annually by the directors unless the bylaws provide otherwise.

SECTION 19. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

A director or officer may be removed with cause by a vote of a majority of the members voting at a regular or special meeting. The director or officer involved shall be given an opportunity to be heard at the meeting. A vacancy caused by removal is filled by the vote provided in the bylaws for election of directors.

SECTION 20. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The articles or bylaws may provide that within a specified period of time any action taken by the directors must be referred to the members for approval or disapproval if demanded by petition of at least ten percent (10%) of all the members or by vote of at least a majority of the directors. Rights of third parties which have vested between the time of the action and the referendum are not impaired by the results of the referendum.

SECTION 21. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Investment dividends will not exceed eight percent (8%) on investment capital, unless otherwise provided for in the bylaws, and the investment dividend shall not be cumulative unless otherwise provided for in the bylaws.

(2) Total investment dividends distributed for a fiscal year may not exceed fifty percent (50%) of the net savings for the period.

SECTION 22. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Any natural person, association, incorporated or unincorporated group organized on a cooperative basis, or any nonprofit group, shall be eligible for membership in an association if he has met the qualifications for eligibility, if any, stated in the articles or bylaws and shall be deemed a member upon payment *in full for the par value of the minimum amount of shares or membership capital stated in the articles as necessary to qualify for membership.*

SECTION 23. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

A natural person or group eligible for membership and legally obligated to purchase a share or shares of, or membership in, an association shall be deemed a subscriber. The articles or bylaws may determine whether and the conditions under which voting rights or other rights of membership are granted to subscribers.

SECTION 24. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) No certificate for share or membership capital shall be issued until the par value thereof has been paid in full.

(2) Each certificate issued by an association shall have printed upon it a full or condensed statement concerning the following:

(a) Each member of the association shall have only one (1) proxy;

(b) No member shall be permitted to vote by proxy;

(c) The restrictions or transferability as provided by law.

SECTION 25. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) If a member desires to withdraw from the association or disposes of any or all of his holdings therein, the directors shall have the power to purchase such holdings by paying him the par value of any or all of the holdings offered. The directors shall then reissue or cancel the same. A vote of the majority of the members voting at a regular or special meeting may order the directors to exercise this power to purchase.

(2) If the association fails, within sixty (60) days of the original offer, to purchase all or any part of the holdings offered, the member may dispose of the unpurchased interest elsewhere, subject to the approval of the transferee by a majority vote of the directors. Any would be transferee not approved by the directors may appeal to the members at their first regular or special meeting thereafter, and the action of the meeting shall be final. If such transferee is not approved, the director shall exercise their power to purchase, if and when such purchase can be made without jeopardizing the solvency of the association.

SECTION 26. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The bylaws may give the directors the power to use the reserve funds to recall, at par value, the membership certificates of any member in excess of the amount requisite for membership, and may also provide that if any member has failed to patronize the association during a time specified and in accordance with the bylaws, the directors may recall the member's membership certificates, thereby terminating his membership in the association. When membership certificates are recalled, they shall be either reissued or cancelled. No recall may be made if the solvency of the association would be jeopardized.

(2) The directors shall have the power to use the reserve funds to recall and repurchase at par value, together with any investment dividends due on the investment certificates of any investor. The bylaws may establish specific procedures, terms and conditions for such recall and repurchase.

SECTION 27. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The holdings of any member of an association, to the extent of the minimum amount necessary for membership, but not to exceed fifty dollars ($50.00), are exempt from attachment, execution, or garnishment for the debts of the owner. If any holdings in excess of this amount are subjected to attachment, execution, or garnishment, the directors of the association may either admit the purchaser to membership, or may purchase the holdings at par value.

SECTION 28. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Members are not jointly or severally liable for debts of the association, nor is a subscriber liable, except to the extent of the unpaid amount on the membership certificates or in the invested capital certificates subscribed by him. No subscriber may be released from liability by assignment of his interest in the membership capital certificates or the invested capital certificates, but he is jointly and severally liable with the assignee until the membership certificates or investor certificates are fully paid up.

SECTION 29. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

A member may be expelled by the vote of a majority of the members voting at a regular or special meeting. The member against whom the charges are to be preferred shall be informed of the charges in writing at least ten (10) days in advance of the meeting, and shall be given an opportunity to be heard in person or by counsel at the meeting. If the association votes to expel a member, the board of directors shall *purchase the member's capital holdings at par value if and when such purchase may be made without jeopardizing the solvency of the association.*

SECTION 30. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) At least once each year the members or the directors, as the articles or bylaws may provide, shall apportion the net savings of the association in the following order:

(a) Not less than ten percent (10%) shall be placed in a reserve fund until such time as the fund shall equal fifty percent (50%) of the paid-up capital, and thereafter the directors may continue to set aside ten percent (10%) of the net savings for a reserve fund. The reserve fund may be used in the general conduct of the business.

(b) Investment dividends, within the limitations prescribed by this Act, may be paid upon share capital, or, if the bylaws so provide, on the membership certificates, but the investment dividends may be paid only out of the surplus of the aggregate of the assets over the aggregate of the liabilities.

(c) A portion of the remainder, as determined by the articles or bylaws, may be allocated to an educational fund to be used in teaching cooperation, and a portion may also be allocated to funds for the general welfare of the members of the association.

(d) The remainder shall be allocated at the same uniform rate to all patrons of the association in proportion to their individual patronage as follows:

1. In the case of a member patron, his proportionate amount of savings returns shall be distributed to him unless he agrees that the association should credit the amount in his account toward the purchase of additional shares or membership capital;

2. In the case of a subscriber patron, his proportionate amount of savings returns as the articles or bylaws provide, may be distributed to him or credited to his account until the amount of capital subscribed for has been fully paid;

3. In the case of a nonmember patron, his proportionate amount of savings returns shall be set aside in a general fund for such patrons and shall be allocated to individual nonmember patrons only upon request and presentation of evidence of the amount of the patronage. Any savings return so allocated shall be credited to such patron toward payment of the minimum amount of share or membership capital necessary for membership. When a sum equal to this amount has accumulated at any time within a period of time specified in the bylaws, such patron shall be deemed and become a member of the association if he so agrees or requests, and complies with any provisions in the bylaws for admission to membership. The certificate of shares or membership to which he is entitled shall then be issued to him.

(2) If, within any period of time specified in the articles or bylaws, any subscriber has not accumulated and paid in the amount of capital prescribed for; or any nonmember patron has not accumulated in his individual account the sum necessary for membership; or any nonmember patron has accumulated the sum necessary for membership but neither requests nor agrees to become a member, or fails to comply with the provisions of the bylaws, if any, for admission to membership, then the amounts so accumulated or paid in any part of the general fund for nonmember patrons which has not been allocated to individual nonmember patrons shall go to the educational fund and thereafter no member or other patron shall have any rights in said paid-in capital or accumulated savings returns as such.

(3) Nothing in this section shall prevent an association engaged in rendering services from disposing of the net savings from the rendering of services in a manner calculated to lower the fees charged for services or otherwise to further the common benefit of the members.

(4) Nothing in this section shall prevent an association from adopting a system in which the payment of savings returns which would otherwise be distributed are deferred for a fixed period of time, nor from adopting a system in which the savings returns distributed are partly in cash, partly in shares, with the shares to be retired at a fixed future date, in the order of their serial number or date of issue.

SECTION 31. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Officers or employes may be required to be covered by an appropriate bond at the expense of the association should the articles or bylaws so require.

SECTION 32. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Each association authorized to transact business in this state, shall file, within the time prescribed by this Act, an annual report, supplied by the secretary of state, setting forth:

(a) The name of the association;

(b) The association's principal place of business in this state;

(c) The address of the registered office of the association in this state, and the name of its registered agent at such address.

(2) Whenever a three (3) year period has elapsed or shall elapse during which period an association has not filed with the secretary of state the annual report required by this section, the secretary of state shall take the following revocation procedures:

(a) Mail to the association at its registered office a notice that if the required reports are not filed within ninety (90) days after the mailing of the notice, the certificate of incorporation will be revoked. If this notice is undeliverable, it shall be mailed to the last known address of the association as shown on the records of the secretary of state.

(b) If the required annual reports are not received within ninety (90) days from the date of which the notice was mailed, the secretary of state shall revoke the certificate of incorporation.

(c) The secretary of state shall mail notice to the association that its certificate of incorporation has been revoked. This notice shall be mailed to the registered office or to his last known business address, if a registered office has not been maintained.

(3) The fees required by this chapter must be submitted with all annual reports before they are filed by the secretary of state.

(4) If the annual report is not timely filed the association shall pay a penalty as prescribed by law.

SECTION 33. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The annual report of an association shall be delivered to the secretary of state between the first day of January and the last day of April of each year, except that the first annual report of an association shall be filed between the first day of January and the last day of April of the year next succeeding the calendar year in which its certificate of incorporation was issued by the secretary of state. Proof to the satisfaction of the secretary of state that prior to the last day of April such report was deposited in the United States mail in a sealed envelope, properly addressed, with postage prepaid, shall be deemed a compliance with this requirement. If the secretary of state finds that such report conforms to the requirements of this chapter, he shall file the same. If he finds that it does not conform, he shall promptly return the same to the association for any necessary corrections; in which event the penalties hereinafter prescribed for failure to file such report within the time hereinbefore provided shall not apply, if such report is corrected to conform to the requirements of this chapter and returned to the secretary of state within thirty (30) days from the date on which it was mailed to the association by the secretary of state.

(2) If the annual report is returned to the secretary of state's office without a fee, stating: no longer in business, liquidated, closed, or any other statement which implies that the association is inactive, the secretary of state shall immediately mail to the association a thirty (30) day notice to dissolve or withdraw the association according to the provisions provided in this chapter. If dissolution or withdrawal proceedings have not commenced after thirty (30) days, the secretary of state shall immediately start revocation proceedings according to procedures set forth in this chapter.

(3) If the annual report is returned marked bankrupt and a copy of the bankruptcy is enclosed, the secretary of state may start revocation proceedings according to this chapter.

SECTION 34. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) The certificate of incorporation of any association which has been revoked by the secretary of state as provided in this Act, may only be reinstated by the secretary of state if such revoked association complies with all of the following requirements:

(a) Submit an application for reinstatement, furnished by the secretary of state's office;

(b) File all annual reports this chapter would have required between the date of incorporation and the date of reinstatement, which were not previously filed, and paid the fees thereon;

(c) Paid to the secretary of state a penalty of one hundred dollars ($100);

(d) File with and make a part of the application a certificate from the commissioner of revenue that the association has paid or furnished satisfactory security for the payment of all income and license taxes, and the interest and penalties thereon that the corporation owes to the state; and

(e) State on the application that the association's charter was revoked for failure of the association to file the required annual reports for three (3) consecutive years; the failure to file the reports was not intentional; that the association is, and has continually been engaged in the ordinary course of its business or that it has property to be transferred.

(2) Reinstatement shall not be authorized if the name of the revoked association is not available in accordance with law, unless the application for reinstatement includes an adoption of a corporate name that is available in accordance with law. In the event an application for reinstatement adopts a new corporate name for the association as herein provided, the articles of incorporation of such association shall be deemed to have been amended to change the name of the association to the name so adopted.

(3) Upon the issuance of the certificate of reinstatement, the corporate existence shall be deemed to have continued from the date of the notice of revocation.

(4) The application for reinstatement and all accompanying documents and fees must be filed with the secretary of state's office within thirty (30) days from the date the application is requested. If a valid reason is given for a delay in filing the application and documents, an extension may be granted; however, it shall not exceed thirty (30) days.

(5) Reinstatement shall only be authorized for an association which charter has been revoked for failure to file annual reports and shall not apply to associations which have been dissolved pursuant to this Act, by expiration of its period of duration or by notifying the secretary of state that it is no longer in business.

(6) The registered office and registered agent shall be changed only on the forms supplied by the secretary of state and not on the application for reinstatement.

SECTION 35. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) To record its business operation, every association shall keep a set of books according to standard accounting practices.

(2) A written report shall be submitted to the annual meeting of the association which shall include the following:

(a) A balance sheet, and income and expense statement;

(b) The amount and nature of the association's authorized, subscribed, and paid-in capital, the number of its shareholders, and the number of shareholders who were admitted or withdrew during the year, the par value of its shares, and the rate at which any return on capital has been paid; and

(c) For nonshare associations, the total number of members, the number of members who were admitted or withdrew during the year, and the amount of membership fees received.

(3) The directors shall appoint a review committee, composed of members who are not principal bookkeepers, accountants, or employes of the association.

(4) The committee shall report on the quality of the annual report and the bookkeeping system at the annual meeting.

SECTION 36. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) Every association having one hundred (100) or more members or an annual business amounting to twenty thousand dollars ($20,000) or more shall prepare, within one hundred and twenty (120) days of the close of its operations each year, a report of its condition, sworn to by the president and secretary, which shall be filed in its registered office. The report shall state:

(a) The name and principal address of the association;

(b) The name, addresses, occupations and date of expiration of the terms of the officers and directors, and their compensation, if any;

(c) The amount and nature of the association's authorized, subscribed, and paid-in capital, the number of its shareholders and the number of shareholders who were admitted or withdrew during the year, the par value of its shares, and the rate at which any investment dividends have been paid;

(d) For nonshare association, the total number of members, the number of members who were admitted or withdrew during the year, and the amount of membership fees received; and

(e) The receipts, expenditures, assets, and liabilities of the association.

(2) If an association required by this section to file a report at its registered office fails to do so in the prescribed time, any member of the association may notify the association of the delinquency by registered letter mailed to its principal office within sixty (60) days after the report becomes delinquent.

(3) If the association fails to file the report within sixty (60) days from the date of notice under subsection (2) of this section, a member of the association or the attorney general may seek a writ of mandamus against the association and the appropriate officer or officers to compel the filing to be made; and in the court shall require the association or the officers at fault to pay all the expenses of the proceeding including attorney fees.

SECTION 37. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) An association may, at a regular or special meeting legally called, be directed to dissolve by a vote of two-thirds (⅔) of the entire membership. If it is directed to dissolve, by a vote of a majority of the members voting, three (3) of their number shall be designated as trustees, who shall liquidate, on behalf of the association and within a time fixed in their designation or within any extension of time, its assets, and shall distribute them in the manner set forth in this section.

(2) A suit for involuntary dissolution of an association organized under this Act may be instituted for the causes and prosecuted in the manner set forth in any corporate laws of the Commonwealth, except that any distribution of assets shall be in the manner set forth in this section.

(3) When an association is dissolved, its assets shall be distributed in the following manner and in the following order:

(a) By paying its debts and expenses;

(b) By returning to the investors the par value of their capital;

(c) By returning to the subscribers to invested capital the amount paid on their subscriptions;

(d) By returning to patrons the amount of patronage dividends credited to their accounts;

(e) By returning to members their membership capital; and

(f) By distributing any surplus in either or both of the following ways, as the articles may provide: either among those patrons who have been members or subscribers at anytime during the six (6) years preceding dissolution, on the basis of patronage during that period, or as a gift to any cooperative association or other nonprofit enterprise which may be designated in the articles.

SECTION 37. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) No association may use its funds, directly or indirectly, issue shares, or incur indebtedness for the payment of compensation for the organization of the association, except necessary legal fees, or for the payment of promotion expenses, in excess of five percent (5%) of the amount paid for the shares or membership certificate involved in the promotion transaction.

(2) No person, firm, corporation, or association shall maliciously and knowingly spread false reports about the management or finances of any association.

(3) Any person who violates this section shall be punished by the prescribed laws of this Commonwealth for such violation.

SECTION 38. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Any group operating on a cooperative basis on the effective date of this Act may elect by a vote of two-thirds (⅔) of the members voting to secure the benefits of and be bound by this Act. If it elects to secure the benefits of this Act, it shall amend its articles and bylaws to conform with this Act. A certified copy of the amended articles shall be filed and recorded with the secretary of state and a fee as prescribed by law shall be paid.

SECTION 39. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

A foreign corporation or association operating on a cooperative basis and complying with the applicable laws of the state in which it is organized may transact business in this state as a foreign cooperative corporation or association upon obtaining a certificate of authority from the secretary of state.

SECTION 40. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

An association incorporated under this Act shall pay its taxes in accordance with the laws prescribed for nonprofit corporations.

SECTION 41. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

This Act does not apply to any corporation or association organized and now existing or in the future organized under KRS 272.101 to KRS 272.510, unless such corporations or associations amend their articles to comply with this Act.

SECTION 42. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

No corporation, association or company doing business for profit in this state shall use the title "cooperative" as any part of its name unless it has complied with this chapter.

SECTION 43. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

No association, or method or act thereof which complies with this Act, shall be deemed a conspiracy or combination in restraint of trade or an illegal monopoly, or an attempt to lessen competition or fix prices arbitrarily.

SECTION 44. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

(1) In respect to the following documents, the fees to be collected by the secretary of state for filing and issuing, when required by this Act, shall be:

(a) Articles of incorporation and a certificate of incorporation, ten dollars ($10);

(b) Articles of amendment and a certificate of amendment, ten dollars ($10);

(c) Articles of dissolution and certificates of dissolution, ten dollars ($10);

(d) A statement of change of address of registered office or change of registered agent, or both, ten dollars ($10);

(e) An annual report by an association, five dollars ($5);

(f) The filing of amended articles by an existing association to come under this Act, ten dollars ($10);

(g) The filing of articles of incorporation and existing amendments by a foreign association and the granting of a certificate of authority, twenty-five dollars ($25) as an original filing fee and a recording fee of ten dollars ($10) for subsequent amendments;

(h) A certificate of good standing issued by the secretary of state, five dollars ($5).

(2) For recording any documents, as required by this chapter, the county clerk shall be entitled to the fees specified in KRS 64.012.

SECTION 45. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

The secretary of state shall charge and collect:

(1) For furnishing a certified copy of any document, instrument or paper relating to an association, fifty cents ($.50) per page and three dollars ($3) for the certificate and affixing the seal thereto.

(2) At the time of any service of process on him as resident agent of an association, ten dollars ($10), which amount may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action.

(3) The secretary of state shall also collect a fine of one hundred dollars ($100) for the reinstatement of an association pursuant to this chapter.

SECTION 46. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

This chapter may be cited as the "Kentucky Cooperative Association Act."

Section 47. KRS 272.010 is amended to read as follows:

(1) [~~As used in KRS 272.020 to 272.050, "cooperative plan" means a business concern that distributes the net profit of its business by first paying a fixed dividend upon its stock, and then prorating the remainder of its profits to its stockholders or customers, or both, as provided by bylaws, upon their purchases from or sales to the corporation.~~

~~(2)~~] As used in KRS 272.360 to 272.510, unless the content for such requires otherwise:

(a) "Livestock" shall mean sheep, cattle, hogs, horses, jacks, mules, poultry or any other animal or bird commonly kept on the farm.

(b) "Farmer" shall mean any individual, firm, partnership, corporation or farm management group which derives a portion or all of its income from the production of livestock domiciled on a farm within the commonwealth.

(c) "Member" shall include actual members of the association organized under KRS 272.360 to 272.510.

(d) "Association" means any corporation organized under KRS 272.360 to 272.510.

(e) "Department" shall mean the department of agriculture.

(2)[~~(3)~~] Associations organized under KRS 272.360 to 272.510 shall be termed nonprofit inasmuch as they are not organized to make profit for themselves.

Section 48. KRS 272.990 is amended to read as follows:

(1) Any corporation, association or company using the word "cooperative" as part of its name in violation of *this chapter* [~~KRS 272.050~~] shall be fined not less than fifty dollars ($50) nor more than one thousand dollars ($1,000), and may be enjoined from doing business under that name by any corporation, or stockholder thereof, organized under *this chapter* [~~KRS 272.020 to 272.050~~].

(2) Any individual or any corporation whose officers or employes knowingly induce or attempt to induce any member to break his marketing contract with an association or who maliciously and knowingly spreads false reports about the finances or management of any association shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense, and shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred dollars ($500) for each offense.

(3) Any person conducting a warehouse in this state who persuades or permits any member of any association to breach his marketing contract with the association by receiving his products for sale, auction or display contrary to the terms of any marketing contract of which the offender has notice shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred dollars ($500) for each offense, and shall also pay the association a reasonable attorney's fee and all the costs of the action against him. The association may obtain an injunction against such warehouseman to prevent further breaches and a multiplicity of actions.

Section 49. The following KRS sections are repealed;

272.020 Organization of cooperative corporation — Officers — Votes.
272.030 Reserve fund.
272.040 Cooperative companies may adopt KRS 272.020 to 272.050 — Filing fee.
272.050 Limited use of word "cooperative."

HB 444, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) The alcoholic beverage control board may, by regulation, establish reasonable fees for materials provided to licensees of the department of alcoholic beverage control.

(2) The alcoholic beverage control board may, by regulation, assess the costs of hearings before the board to the losing party in the form of court costs not to exceed thirty dollars ($30.00).

(3) The monies collected from said fees and costs shall be used by the department to defray actual costs incurred in rendering the above stated services.

Section 2. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

(1)	Distiller's license, per annum	$1,500.00
(2)	Rectifier's license, per annum	$1,500.00
(3)	Blender's license, per annum	$1,500.00
(4)	Vintner's license, per annum	$ 500.00
(5)	Small winery license, per annum	$ 250.00
(6)	Wholesaler's license, per annum	$1,500.00
(7)	Retail package license, per annum:	
(a)	In counties containing cities of the first class	$ 600.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	In counties containing cities of the fourth class	$ 300.00
(e)	In all other counties	$ 200.00
(8)	Retail drink license, per annum:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(d)	In counties containing cities of the fourth class	$ 300.00
(9)	Transporter's license, per annum	$ 25.00
(10)	Dining car license, per annum	$ 50.00
(11)	Special nonbeverage alcohol vendor's license, per annum	$ 25.00
(12)	Special industrial alcohol license, per annum	$ 25.00
(13)	Special nonindustrial alcohol license, per annum	$ 25.00
(14)	Special agent's or solicitor's license, per annum	$ 20.00
(15)	Special storage or warehouse license, per annum	$ 100.00
(16)	Special temporary license, per month or part of month, one sixth (1/6) of the fees enumerated in subsection *(8)* [~~(7)~~].	
(17)	Special private club license, per annum	$ 150.00
(18)	Special Sunday retail drink license	$ 300.00
(19)	Nonresident, special agent or solicitor's license, per annum	$ 20.00
(20)	Transport permit, nonresident license, per annum	$ 25.00
(21)	Through transporter's license, per annum	$ 25.00
(22)	Freight forwarder's license, per annum	$ 25.00
(23)	Supplemental bar license:	

(a) In counties containing cities of the first class	$ 800.00
(b) In counties containing cities of the second class	$ 500.00
(c) In counties containing cities of the third class	$ 400.00
(24) Restaurant wine license, per annum:	
(a) New applicants	$ 300.00
(b) Renewals	$ 200.00

(25) Such other special license as the board may find necessary for the proper regulation and control of the traffic in distilled spirits and wine and may provide for by regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

Section 3. KRS 243.040 is amended to read as follows:

The following kinds of malt beverage licenses may be issued by the administrator of the malt beverages unit, the fees for which shall be:

(1) Brewer's license, per annum	$1,500.00
(2) Distributor's license, per annum	$200.00
(3) Retailer's license per annum:	
(a) New applicants	$200.00
(b) Renewals	$*100.00*[~~75.00~~]
(4) Dining car license, per annum	$100.00
(5) Transporter's license, per annum	$25.00
(6) Special temporary license, per month or part of month	$ 12.50
(7) Special off-premises storage license, per annum	$ 25.00
(8) Distributor's storage, per annum	$ 50.00
(9) Special beer transporter's license, per annum	$ 25.00

(10) Such other special licenses as the state board finds to be necessary for the administration of KRS Chapters 241, 243 and 244 and for the proper regulation and control of the trafficking in malt beverages, which may be provided for by regulation and adopted by the state board.

Applicants for special licenses provided for under the authority granted in subsection (10) may be exempt from so much of the provisions of subsection (3) of KRS 243.100 and paragraph (c) of subsection (1) of KRS 244.090 as the board by regulation prescribes.

Section 4. KRS 243.380 is amended to read as follows:

(1) Applications for licenses provided for in KRS 243.030 and 243.050 shall be made to the administrator of the distilled spirits unit. Applications for licenses provided for in KRS 243.040 shall be made to the administrator of the malt beverage unit.

(2) All applications shall be on forms furnished by the department. They shall be verified and shall set forth in detail such information concerning the applicant and the premises for which the license is sought as the board by regulation requires. Each application shall be accompanied by a certified check, cash or a postal or express money order for the license fee. Promptly upon receipt thereof the board shall pay the same into the state treasury, giving the department of revenue copies of the pay-in vouchers and such other supporting data as the department of revenue may require for revenue control purposes.

(3) Each non-renewal application for a retail drink liquor license or retail package liquor license issued under KRS 243.030 shall be accompanied by a certified check, cash, postal or express money order in the amount of one hundred dollars ($100), which shall be a non-refundable application fee. Said application fee shall be applied, by the department, to any successive non-renewal application submitted by the same applicant for the same premises.

Section 5. KRS 244.260 is amended to read as follows:

(1) No wholesaler shall purchase, import or keep upon the licensed premises or sell any distilled spirits or wine in any container except in the original sealed package containing quantities of not less than two hundred (200) milliliters each of distilled spirits or one hundred (100) milliliters of wine, and not exceeding 1.75 liters each of distilled spirits or two hundred twenty (220) liters each of wine, as received from the distiller, rectifier, vintner or wholesaler, as the case may be. Such containers shall at all times have affixed to them such labels as may be required by the regulations of the board, together with all necessary federal revenue and state excise tax stamps.

(2) No wholesaler shall sell any distilled spirits or wine except in cases of containers of uniform size, except that wine may be sold in barrels or kegs. "Case" as used in this section means a carton of containers aggregating not less than six (6) liters nor more than twelve (12) liters of *distilled spirits or* wine.

Section 6. KRS 244.310 is amended to read as follows:

(1) No licensee for sale of distilled spirits and wine by the drink, other than a railroad system licensee, shall keep upon the licensed premises any distilled spirits or wine in any container except in the original package containing quantities of not exceeding *one and seventy-five hundredths (1.75)* [~~3.5~~] liters each of distilled spirits or two hundred twenty (220) liters each of wine, and containing not less than seven hundred fifty (750) milliliters each of distilled spirits, and not less than one hundred (100) milliliters each of wine not exceeding fourteen per cent (14%) alcohol by volume, as received from the wholesaler, if the retail drink license is held by a restaurant or private club which receives a minimum of forty per cent (40%) of its income from the sale of food and has a minimum seating capacity of fifty (50) people at tables, except mixed drinks which contain a substantial proportion of carbonated water and which are sold by entire bottles containing not less than three hundred fifty-five (355) milliliters. If the licensee also holds a retail package license, the containers may contain as little as two hundred (200) milliliters of distilled spirits and one hundred (100) milliliters of wine.

(2) Each container shall have affixed to it such labels as may be required by the regulations of the board, together with all required federal revenue tax stamps.

Committee Substitute to **HB 444:**

HB 444, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

(1) Distiller's license, per annum	$1,500.00
(2) Rectifier's license, per annum	$1,500.00
(3) Blender's license, per annum	$1,500.00
(4) Vintner's license, per annum	$ 500.00
(5) Small winery license, per annum	$ 250.00
(6) Wholesaler's license, per annum	$1,500.00
(7) Retail package license, per annum:	
(a) In counties containing cities of the first class	$ 600.00
(b) In counties containing cities of the second class	$ 500.00
(c) In counties containing cities of the third class	$ 400.00
(d) In counties containing cities of the fourth class	$ 300.00
(e) In all other counties	$ 200.00
(8) Retail drink license, per annum:	
(a) In counties containing cities of the first class	$ 800.00
(b) In counties containing cities of the second class	$ 500.00
(c) In counties containing cities of the third class	$ 400.00
(d) In counties containing cities of the fourth class	$ 300.00
(9) Transporter's license, per annum	$ 25.00
(10) Dining car license, per annum	$ 50.00
(11) Special nonbeverage alcohol vendor's license, per annum	$ 25.00
(12) Special industrial alcohol license, per annum	$ 25.00

(13)	Special nonindustrial alcohol license, per annum	$ 25.00
(14)	Special agent's or solicitor's license, per annum	$ 20.00
(15)	Special storage or warehouse license, per annum	$ 100.00
(16)	Special temporary license, per month or part of month, one sixth (1/6) of the fees enumerated in subsection *(8)* [~~(7)~~].	
(17)	Special private club license, per annum	$ 150.00
(18)	Special Sunday retail drink license	$ 300.00
(19)	Nonresident, special agent or solicitor's license, per annum	$ 20.00
(20)	Transport permit, nonresident license, per annum	$ 25.00
(21)	Through transporter's license, per annum	$ 25.00
(22)	Freight forwarder's license, per annum	$ 25.00
(23)	Supplemental bar license:	
(a)	In counties containing cities of the first class	$ 800.00
(b)	In counties containing cities of the second class	$ 500.00
(c)	In counties containing cities of the third class	$ 400.00
(24)	Restaurant wine license, per annum:	
(a)	New applicants	$ 300.00
(b)	Renewals	$ 200.00

(25) Such other special license as the board may find necessary for the proper regulation and control of the traffic in distilled spirits and wine and may provide for by regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

Section 2. KRS 243.040 is amended to read as follows:

The following kinds of malt beverage licenses may be issued by the administrator of the malt beverages unit, the fees for which shall be:

(1)	Brewer's license, per annum	$1,500.00
(2)	Distributor's license, per annum	$200.00
(3)	Retailer's license per annum:	
(a)	New applicants	$200.00
(b)	Renewals	$*100.00*[~~75.00~~]
(4)	Dining car license, per annum	$100.00
(5)	Transporter's license, per annum	$25.00
(6)	Special temporary license, per month or part of month	$ 12.50
(7)	Special off-premises storage license, per annum	$ 25.00
(8)	Distributor's storage, per annum	$ 50.00
(9)	Special beer transporter's license, per annum	$ 25.00

(10) Such other special licenses as the state board finds to be necessary for the administration of KRS Chapters 241, 243 and 244 and for the proper regulation and control of the trafficking in malt beverages, which may be provided for by regulation and adopted by the state board.

Applicants for special licenses provided for under the authority granted in subsection (10) may be exempt from so much of the provisions of subsection (3) of KRS 243.100 and paragraph (c) of subsection (1) of KRS 244.090 as the board by regulation prescribes.

Section 3. KRS 243.380 is amended to read as follows:

(1) Applications for licenses provided for in KRS 243.030 and 243.050 shall be made to the administrator of the distilled spirits unit. Applications for licenses provided for in KRS 243.040 shall be made to the administrator of the malt beverage unit.

(2) All applications shall be on forms furnished by the department. They shall be verified and shall set forth in detail such information concerning the applicant and the premises for which the license is sought as the board by regulation requires. Each application shall be accompanied by a certified check, cash or a postal or express money order for the license fee. Promptly upon receipt thereof the board shall pay the same into the state treasury, giving the department of revenue copies of the pay-in vouchers and such other supporting data as the department of revenue may require for revenue control purposes.

(3) Each non-renewal application for a retail drink liquor license or retail package liquor license issued under KRS 243.030 shall be accompanied by a certified check, cash, postal or express money order in the amount of one hundred dollars ($100), which shall be a non-refundable application fee. Said application fee shall be applied, by the department, to any successive non-renewal application submitted by the same applicant for the same premises.

Section 4. KRS 244.260 is amended to read as follows:

(1) No wholesaler shall purchase, import or keep upon the licensed premises or sell any distilled spirits or wine in any container except in the original sealed package containing quantities of not less than two hundred (200) milliliters each of distilled spirits or one hundred (100) milliliters of wine, and not exceeding 1.75 liters each of distilled spirits or two hundred twenty (220) liters each of wine, as received from the distiller, rectifier, vintner or wholesaler, as the case may be. Such containers shall at all times have affixed to them such labels as may be required by the regulations of the board, together with all necessary federal revenue and state excise tax stamps.

(2) No wholesaler shall sell any distilled spirits or wine except in cases of containers of uniform size, except that wine may be sold in barrels or kegs. "Case" as used in this section means a carton of containers aggregating not less than six (6) liters nor more than twelve (12) liters of *distilled spirits or* wine.

Section 5. KRS 244.310 is amended to read as follows:

(1) No licensee for sale of distilled spirits and wine by the drink, other than a railroad system licensee, shall keep upon the licensed premises any distilled spirits or wine in any container except in the original package containing quantities of not exceeding *one and seventy-five hundredths (1.75)* [~~3.5~~] liters each of distilled spirits or two hundred twenty (220) liters each of wine, and containing not less than seven hundred fifty (750) milliliters each of distilled spirits, and not less than one hundred (100) milliliters each of wine not exceeding fourteen per cent (14%) alcohol by volume, as received from the wholesaler, if the retail drink license is held by a restaurant or private club which receives a minimum of forty per cent (40%) of its income from the sale of food and has a minimum seating capacity of fifty (50) people at tables, except mixed drinks which contain a substantial proportion of carbonated water and which are sold by entire bottles containing not less than three hundred fifty-five (355) milliliters. If the licensee also holds a retail package license, the containers may contain as little as two hundred (200) milliliters of distilled spirits and one hundred (100) milliliters of wine.

(2) Each container shall have affixed to it such labels as may be required by the regulations of the board, together with all required federal revenue tax stamps.

SECTION 6. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provision of law, two (2) or more retail package licensees may agree to group purchases of distilled spirits, wine and malt beverages as a member of a buying cooperative from a licensed wholesaler or distributor through a designated agent, subject to the following restrictions:

(1) No retail licensee shall participate in a purchase made by a buying cooperative unless the retail liquor licensee is a member of that cooperative.

(2) The designated agent of a buying cooperative shall hold a retail package liquor license, operate a licensed retail package liquor and malt beverage premises.

(3) No buying cooperative shall have more than one (1) designated agent nor shall an agent make purchases for more than one (1) buying cooperative.

(4) A record of purchases shall be made by the agent on a master purchase order and a written agreement from each purchasing retail member of the buying cooperative participating in the purchase shall be furnished to the wholesaler or distributor at the time of purchase as a part of the master order.

(5) Each purchasing retail member of a buying cooperative shall furnish the designated agent with a signed order setting forth such licensee's purchase to be attached to and become a part of the master order.

(6) Master and individual order invoices shall be maintained and records of same kept by wholesalers and distributors as provided for under KRS 244.150. A buying cooperative member shall be responsible for payment as set forth in his invoice for the purchase designated and delivered to said individual retailer.

(7) The purchase price shall be the price in effect on the date that the master order was received by the wholesaler or distributor from the designated agent.

(8) The merchandise purchased by each purchasing member of the buying cooperative as set forth in such member's purchase in compliance with subsections (4) and (5) hereof shall be delivered by the wholesaler or distributor to the licensed premises of such purchasing retail member.

(9) The board shall adopt such regulations as are necessary to implement and enforce this section.

Section 7. KRS 244.290 is amended to read as follows:

(1) No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen or other municipal legislative body of cities of the first, second, [~~or~~] third *or fourth* class in which traffic in distilled spirits and wine is permitted under KRS chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first, second, [~~or~~] third *or fourth* class are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first, second, [~~or~~] third *or fourth* class during the twenty-four hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in subsection (2) of this section, and that no distilled spirits or wine may be sold on any election day while the polls are still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine is permitted under KRS chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsection (2) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

Section 8. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, [~~or~~] third *or fourth* class in which traffic in malt beverages is permitted by KRS chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, [~~or~~] third *or fourth* class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second or third class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open.

Announcements

The following meetings were announced.

Committee on Rules: On adjournment, Room 316.

Health and Welfare: Special meeting, 12 noon, Monday, Room 109.

Appropriations and Revenue: Monday, 10:00 a.m., Room 109.

Education: Tuesday, noon, Room 101.

Adjournment

Representative LeMaster moved that the House adjourn until 2:00 p.m., Monday, March 15, 1982.

On the roll call the vote was yeas 46-Arnold, Bendl, Bennett, Boswell, Burch, Caldwell, Clark, Craddock, Crupper, Dawahare, Donnermeyer, Dunn, Farrow, Ford, Gray, Hancock, Head, Hines, R. Jones, T. Jones, LeMaster, List, Lundergan, McBee, McNutt, Meyer, Moberly, Nett, Noland, O'Brien, Patrick, Pearman, Petty, Priddy, Rapier, P. Richardson, Riner, Robinson, B. Smith, Stumbo, Thomas, Todd, Tuner, Van Horn, Williams, Worthington. Nays 9-Clarke, Cowan, Guenthner, Handy, Holbrook, Holloway, Kenton, Perkins, Schmidt.

The motion to adjourn was adopted.

MONDAY, MARCH 15, 1982

FORTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Pro Tempore Thomason.

Prayer by Reverend John L. Hunt, South Frankfort Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Caldwell and Priddy.

Representative Brinkley moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 12, 1982, be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 327, SB 289, SB 342, SB 317,** and **SB 148.**

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Cities: **SB 316, SB 398, SB 400.**

Counties and Special Districts: **SB 352.**

Judiciary-Civil: **SB 288, SB 366.**

Natural Resources and Environment: **SB 247.**

State Government: **SB 390, SB 382, SR 45.**

Report of Committees

The Committee on Rules reported **HB 141, HB 572, HB 582, HB 1, HB 176, HB 537, HB 706, HB 394, HB 536, HB 669, HB 711, HB 714, HB 730, HB 733, HB 758, HB 110, HB 542, HB 785, HB 788, HB 807, HB 809, HB 813, HR 44, HCR 61, HJR 62, HR 63, SB 20, SB 213, SB 261, SB 169,** and **SB 274** have been posted for passage in Orders of the Day, March 16, 1982.

The Committee on Rules reported **HB 678** has been recommitted to the Committee on State Government.

The Committee on Rules reported **HR 31** has been recommitted to the Committee on Cities.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Judiciary-Civil: **SB 294, HB 544.**

Report of Committees

The Committee on Health and Welfare reported **HB 674, HB 779, HCR 73, SB 216, SB 219,** and **SB 241** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 674, AN ACT relating to services for elderly persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Chore services" means the performance of heavy housecleaning, minor household repairs, yard tasks, and other activities needed to assist in the maintenance of a functionally impaired elderly person in his own home.

(2) "Core services" means those services, including but not limited to client assessment and case management, designed to identify a functionally impaired elderly person's needs, develop a plan of care, arrange for services, monitor the provision of services, and reassess the person's needs on a regular basis.

(3) "Department" means the department for human resources.

(4) "District" means an area development district designated as such pursuant to KRS 147A.050.

(5) "Essential services" means those services which are most needed to prevent unnecessary institutionalization of functionally impaired elderly persons. Essential services shall be limited to chore services, core services, home delivered meals, home health aide and homemaker services.

(6) "Functionally impaired elderly person" means any person, sixty (60) years of age or older, with physical or mental limitations which restrict individual ability to perform the normal activities of daily living and which impede individual capacity to live independently, thus rendering such person at risk of entering an institution. Functional impairment shall be determined through a functional assessment developed by the department and delivered to each applicant for essential services.

(7) "Home delivered meals" means the provision of a nutritionally sound meal, that meets at least one-third (⅓) of the current daily recommended dietary allowance, to a functionally impaired elderly person who is home bound by reason of illness, incapacity or disability.

(8) "Home health aide services" means the performance of simple procedures, including but not limited to personal care, ambulation, exercises, household services essential to health care at home, assistance with medications that are ordinarily self-administered, reporting changes in the patient's condition and needs, and completing appropriate records.

(9) "Homemaker services" means general household activities, including but not limited to shopping, meal preparation and routine household care, provided by a trained homemaker when the person regularly responsible for these activities is temporarily absent or unable to manage the home and care for himself or others in the home.

SECTION 2. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) The department shall fund, directly or through a contracting entity or entities, in each district, a program of essential services which shall have as its primary purpose the prevention of unnecessary institutionalization of functionally impaired elderly persons. The department may use funds appropriated under this Act to contract with public and private agencies, long term care facilities, local governments, and other providers to provide essential services. The department may provide essential services when such services cannot otherwise be purchased.

(2) In providing essential services, all existing community resources available to functionally impaired elderly persons shall be utilized. Additional services may be provided, but shall not be funded from funds appropriated under this Act. Volunteers may be used where practicable to provide essential services to functionally impaired elderly persons. The department or contracting entity shall provide or arrange for the provision of training and supervision of volunteers to ensure the delivery of quality services. The department or contracting entity shall provide or arrange for appropriate insurance coverage to protect volunteers from personal liability while acting within the scope of their volunteer duties.

(3) Entities contracting with the department to provide essential services under this Act shall provide a minimum of twenty-five percent (25%) of the funding necessary for the support of program operations. Local contributions, whether materials, commodities, transportation, office space, personal services, or other types of facilities services, or funds may be evaluated and counted toward the twenty-five percent (25%) local funding requirements.

(4) When possible, funding for core services may be obtained under:

(a) The comprehensive annual social services program plan under Title XX of the Social Security Act;

(b) The medical assistance plan under Titles XVIII and XIX of the Social Security Act;

(c) The state plan on aging under the Older Americans Act; or

(d) Veteran's benefit programs under the provisions of 38 USCA Sections 1 et seq. as amended.

The department may seek federal waivers if necessary to enable the use of funds provided through titles XVIII and XIX of the Social Security Act for the provision of essential services.

(5) Providers contracting with the department to provide essential services shall be responsible for the collection of fees and contributions for services in accordance with rules promulgated by the department. Providers are authorized to assess and collect fees for services rendered in accordance with those regulations. To help pay for essential services received, a functionally impaired elderly person shall pay an amount of money based on an overall ability to pay in accordance with a schedule of fees established by the department. Fees shall reflect the degree to which the department or contracting entity uses volunteers in the provision of services. Where essential services are provided by volunteers, fees shall only be assessed in an amount that will cover the cost of materials and other goods used in the provision of services. The cost of materials and other goods used by volunteers shall be reasonably similar to the cost of goods when paid personnel are used. Fees shall not be required of any person who is "needy aged" as defined in KRS 205.010, however, voluntary contributions may be encouraged. This subsection shall not apply to programs utilizing federal funds when regulations require contributions to revert to the original funding source.

SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

The department shall submit an annual report on programs and services provided under this Act to the Governor and the General Assembly on or before January 15 of the year. Such report shall include:

(1) Information and data necessary to provide an analysis of the costs and benefits of core services;

(2) An assessment of the ability of core services to reduce the rate of inappropriate entry and placement of functionally impaired elderly persons in institutions; and

(3) An assessment of the ability of core services to reduce the use of institutional services and facilities.

HB 779, AN ACT relating to cancer and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

The administrative unit, as designated by each president respectively, of the University of Louisville and of the University of Kentucky shall in cooperation with each other and with the local communities:

(1) Develop a coordinated statewide cancer program to reduce the morbidity and mortality rates for cancer in the Commonwealth;

(2) Support programs and activities to improve cancer prevention, detection, diagnosis, therapy, rehabilitation, and continuing care programs for citizens of the Commonwealth;

(3) Promote the establishment of a coordinated statewide tumor documentation system for recording all cancer cases for the purposes of follow-up and epidemiological studies, including the monitoring of the efficacy of new cancer therapy regimens;

(4) Promote the availability of quality cancer care throughout the Commonwealth by initiating activities, including but not limited to the following:

(a) Developing tumor conferences in local communities;

(b) Assisting hospitals in achieving American college of surgeons accreditation, thereby upgrading cancer education and care in the Commonwealth;

(c) Conducting cancer related continuing education programs for health care professionals licensed under the laws of the Commonwealth;

(d) Conducting cancer related educational programs for cancer patients, their families, and other health care consumers.

SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

The University of Louisville and University of Kentucky shall each by August 1 of each year submit to the governor and the legislative research commission a fiscal year report identifying progress in the achievement of the goals set out in Section 1 of this Act and the expenditure of funds related thereto.

SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

This Act shall be known and may be cited as the "Kentucky Community Cancer Program."

Section 4. To carry out the purposes of this Act, there is appropriated to the University of Louisville and the University of Kentucky the sum of $840,000 for the fiscal year 1982-1983, and $900,000 for the fiscal year 1983-1984 from the general fund of the state treasury of the Commonwealth. The funds appropriated under this Act shall be equally divided between the University of Louisville and the University of Kentucky.

HCR 73, A CONCURRENT RESOLUTION directing the Legislative Research Commission to conduct a study of the effectiveness and economic impact of the regulation of health professions in Kentucky.

WHEREAS, Kentucky currently regulates more than a dozen health professions and occupations;and

WHEREAS, in each legislative session, bills to regulate new health professions and occupations are introduced without any assurance that their enactment will have beneficial fiscal implications for consumers or that their enactment will not have a negative impact on the quality of health care provided consumers; and

WHEREAS, there is a lack of information concerning the effectiveness and economic impact of the existing regulation of health professions and occupations; and

WHEREAS, there is no procedure for systematic review of proposals to regulate new professions and occupations;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is directed to conduct a study of the effectiveness and economic impact of the regulation of health professions in Kentucky and to recommend statutory revisions that will maximize the likelihood that regulation of health professions and occupations will result in beneficial fiscal implications for consumers and will not have a negative impact on the quality of health care provided consumers.

Section 2. The Department of Insurance and the following state boards are directed to make available, upon request, such documents, data, and records as are relevant, and to provide full assistance and information to the Legislative Research Commission in conducting this study: podiatry, medical licensure, chiropractic examiners, dentistry, nursing, pharmacy, examiners of psychologists, optometric examiners, ophthalmic dispensers, physical therapy, licensing hearing aid dealers, examiners of speech pathology and audiology, examiners of social work, and any boards which may be created by acts of the 1982 General Assembly, to regulate health professions and occupations, including but not limited to boards which may regulate the practices of dental laboratory technicians, marital and family therapists, mental health counselors, midwives and physicians' assistants.

Section 3. This report shall be submitted to the Interim Joint Committee on Health and Welfare no later than February 1, 1983.

Section 4. Staff services to be utilized in completing this study are estimated to cost $10,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

SB 216, AN ACT relating to periodic review of children in foster care.

WHEREAS, the best interests of the child, the family, and society need to be protected;

WHEREAS, the provision of periodic review of children committed to the department for human resources assures that protection;

WHEREAS, periodic review provides a continuous monitoring of the conditions and circumstances of the child and family;

WHEREAS, periodic review facilitates return of the child to the home as soon as feasible; or if return is not possible within a reasonable time, such review facilitates arrangements for an appropriate and permanent placement;

WHEREAS, periodic review evaluates and makes recommendations for better care and permanency for children and their families;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context otherwise requires:

(1) "Case permanency plan" means a document identifying decisions made by the department, for both the natural family and the child, concerning action which needs to be taken to assure that the child in foster care expeditiously obtains a permanent home.

(2) "Case progress report" means a written record of goals that have been achieved in the case of a child.

(3) "Case record" means a departmental file of specific documents and a running record of activities pertaining to the child.

(4) "Child" means any person who has not reached his eighteenth (18th) birthday and who is in foster care.

(5) "Court" means the juvenile session of district court.

(6) "Department" means the department for human resources.

(7) "Foster care" means the provision of temporary 24-hour care for a child for a planned period of time when the child is:

(a) Removed from his parents or person exercising custodial control or supervision and subsequently committed to the department, and

(b) Placed in a foster family home, or group home, or private child-caring or child-placing facility but remains under the supervision of the department.

(8) "Local citizen review board" means a board which provides periodic permanency reviews of children committed to the department and in foster care.

(9) "Permanence" means a relationship between a child and an adult which will last a lifetime, providing commitment and continuity in the child's relationships and having a sense of belonging.

(10) "State citizen review board" means a board created by Section 17 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) There shall be established local citizen review boards within the juvenile session of the district court. There shall be sixteen (16) local citizen review boards for the Commonwealth. The boundaries of the boards shall be set by the department for human resources with the advice and consent of the chief justice. The chief justice may authorize the creation of additional local citizen review boards as needed.

(2) Members of local citizen review boards shall be appointed by the chief district judges of the counties involved in the district.

(3) Each local citizen review board shall consist of five (5) members and shall be appointed according to the following guidelines:

(a) Three (3) members of each local citizen review board shall be chosen from among the following professions: law, medicine, psychology, social work, and education, and shall have a demonstrated interest in foster care or child welfare. The two (2) remaining members shall have demonstrated interest in foster care or child welfare.

(b) All members of each local citizen review board shall, as far as practicable, be representative of the socioeconomic, racial and ethnic composition of the area served.

(c) Employes of the department shall be prohibited from serving on the local citizen review board.

(d) Of the initial appointees to each local citizen review board, the chief district judges shall designate one (1) member to serve a term of one (1) year, two (2) members to serve a term of two (2) years, and two (2) members to serve a term of three (3) years. All subsequent board members shall serve a term of three (3) years, except that if a vacancy occurs, a successor shall be appointed to serve the unexpired term. The term of each member shall expire on August first of the appropriate year. Members may be reappointed and shall continue to serve until a successor is appointed.

(4) Local citizen review board members may be removed for nonparticipation or other cause.

(5) Each local citizen review board shall annually elect a chairman and vice-chairman to serve in the absence of the chairman.

(6) Each local citizen review board shall meet, at a place designated by the court, as often as is deemed necessary to carry out the duties of the board. The local citizen review board shall meet no less than four (4) times annually.

(7) Members of the local citizen review boards shall receive compensation only for mileage costs at a rate consistent with that provided to state employes as provided by law.

SECTION 3. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) Secretarial and support services for each local citizen review board shall be provided by the district court, or circuit clerk, or both, as ordered by the chief district judges.

(2) Local citizen review boards may receive state and federal funding to insure total or partial funding of the board's activities.

SECTION 4. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) Prior to reviewing cases approved under Section 10 of this Act, all persons appointed to serve as local citizen review board members shall participate in at least eight (8) hours of training, to be followed by at least eight (8) hours of training each year thereafter. Training shall be established and approved by the state citizen review board or its staff as provided by Section 18 of this Act.

(2) The training shall be made available to each local citizen review board member within thirty (30) days of the member's appointment.

(3) During the training session, each local citizen review board member shall promise by oath given by the chief district judge or a member of the court of justice to keep confidential the information reviewed by the board and its actions and recommendations in individual cases pursuant to the authority mandated to other officers of the court in KRS Chapter 522. Members of the local citizen review boards shall be subject to the same penalties as officers of the court pursuant to KRS Chapter 522.

SECTION 5. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) The clerk of the court shall forward to the local citizen review board, with jurisdiction for the county in which the child is physically located, a copy of each order committing the child to the department within ten (10) days of the commitment date.

(2) Whenever a child is voluntarily committed to the department, the department shall forward a copy of the placement agreement to the local citizen review board, with jurisdiction for the county in which the child is physically located, within ten (10) days of the time the child is placed.

SECTION 6. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) Within thirty (30) days after the commitment date of the child, the department shall file a case permanency plan for the child with the court and the local citizen review board with jurisdiction for the county in which the child is physically located. For children previously committed to the department, a case permanency plan shall be filed within sixty (60) days of the effective date of this Act.

(2) The case permanency plan shall include, but need not be limited to:

(a) A concise statement of the reasons why the child is in foster care;

(b) A statement of the actions which have been taken with regard to the child to the date of the plan;

(c) A statement of the proposed actions which may be taken or are contemplated with regard to the child during the next six (6) months; and during the entire duration of the time the child is under the commitment to the department;

(d) Contemplated placements for the child;

(e) If the child is placed outside of the home, reasons why the child cannot be protected adequately in the home, the harms the child may suffer if left in the home, factors which may indicate when the child can be returned to the home, and efforts the department or others are making to return the child to the home;

(f) If the child is placed outside of the home, the steps that the department will take to minimize the harm to the child as a result of the action, both at the time of removal and on a long term basis;

(g) A description of the type of home, child-caring facility, or child-placing agency or institution in which the child is to be placed or has been placed and a statement why the placement is appropriate for the child, including but not limited to:

1. Age;
2. Educational needs;
3. Medical needs;
4. Emotional needs; and
5. Relationship with parents;

(h) If the child is to remain at home, a description of the potential harm which could befall the child and measures that are being taken to prevent or minimize such harm;

(i) If the child is to remain at home, reasons why he cannot be placed in foster care or why such care is not needed;

(j) If the placement is more than twenty (20) miles from the child's home, a listing of all alternative facilities nearer to the home, documentation that no closer placement is appropriate or available, and the reasons why the placement made was chosen;

(k) A description of the services for the child and his family to be provided or arranged by the department to facilitate the return of the child to his own home or to another permanent placement;

(l) A list of objectives and specific tasks, together with specific time frames for each task, for which the parents have agreed to assume responsibility, including a schedule of regular visits with the child; and

(m) A projected schedule of time intervals by which each of the services, objectives, and tasks outlined in the case permanency plan should be accomplished and a schedule of time intervals which have already been accomplished or are in the process of accomplishment.

SECTION 7. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

The department shall file for each child a case progress report at least once every six (6) months with the court and the local citizen review board with jurisdiction for the county in which the child is physically located. The case progress report shall include but is not limited to:

(1) The length of time the child has been committed to the department;

(2) The number, location and date for each placement during his total period of commitment;

(3) A description of the services and assistance provided or arranged by the department to the parents since the last case permanency plan or case progress report, and results achieved;

(4) A description of the efforts and progress of the parents since the last case permanency plan and case progress report, including the number and dates of parental visits and the extent, quality, and frequency of the parents' communication with the child;

(5) The barriers, familial and institutional, if any, to returning the child home or ending the commitment of the child to the department and services that are not currently available in the community;

(6) An evaluation of the child's current placement and services provided to the child;

(7) Recommendations for necessary services required to terminate commitment of the child to the department, to return the child home, or to facilitate another permanent placement;

(8) A timetable for the child's return home or other permanent placement; and

(9) Where return home is not recommended, a specific recommendation for a permanent placement, including termination of parental rights if appropriate. If continued foster care is recommended, an explanation as to why another permanent placement is not appropriate.

SECTION 8. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) Each local citizen review board shall have access to any information and records of the department pertinent to the parents or person exercising custodial control or supervision of the child assigned to the local board for review.

(2) Each local citizen review board shall have access to any information and records of the court, the department, and public and private child-caring facilities when pertinent to the child assigned to the local board for review.

(3) All requested information or records, or both, not already before the local citizen review board at the time of the six (6) months review shall be submitted by the agency or organization in possession of the information or records, or both, no later than five (5) working days after the receipt of the request.

(4) Should the local citizen review board be denied access to any public or private information or records, or both, it may request the court to hold a hearing, at which time the court may require the agency or organization in whose possession the information or records, or both, are held to show cause as to the reasons why the information or records, or both, should not be ordered surrendered pursuant to its authority under KRS Chapter 610.

SECTION 9. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

Local citizen review board members who have a conflict of interest shall not participate in such review.

SECTION 10. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) The local citizen review board shall review each child committed to the department who is physically located in the county or counties which the board serves. The review shall occur once every six (6) months until the child is no longer committed to the department or until an adoption proceeding becomes final.

(2) During each six (6) month review, the local citizen review board shall review:

(a) The past, current, and future status of the child and his placement as shown through the case permanency plan, case record, and case progress reports submitted by the department and such other information as the board may require.

(b) The efforts of the department to locate and provide services to the natural parents of the child.

(c) The efforts of the department and other agencies to facilitate the return of the child to the home or to find an alternative permanent placement if reunion with the parent or previous custodian is not feasible. The department shall report to the board all factors which either favor or mitigate against any decision or alternative with regard to these matters.

(d) Any problems, solutions, or alternatives which may be capable of exploration, or other matters with regard to the child as the department or the board may feel should be explored with regard to the best interests of the state or of the child.

SECTION 11. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

Each local citizen review board may request employes of the department or other agencies or organizations to appear at local board meetings when necessary to determine the progress made in placing the child in a permanent home. Should an employe fail to appear at such a meeting, the local citizen review board may request that the court hold a hearing at which time the court, if the request for the hearing is granted, shall require the employe to show cause as to why he should not be compelled to appear.

SECTION 12. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

The local citizen review board shall submit to the court within ten (10) days of the six (6) month review its findings and recommendations. The findings and recommendations for each child under review shall include but need not be limited to:

(1) Whether there is or is not a plan for permanence;

(2) Whether the plan is or is not progressing; and

(3) If the current placement or plan for permanence, or both, is grossly inappropriate.

SECTION 13. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

Upon completion of the six (6) month review of each child, each local citizen review board shall send a notice to the following parties that it has reviewed the case permanency plan and case progress report and that the review has become part of the court record:

(1) The parents of the child, unless their rights have been terminated under the laws of the Commonwealth, or the person exercising custodial control or supervision of the child; and

(2) The department; and

(3) The attorney for the parent or person exercising custodial control or supervision and the child's guardian ad litem, if any.

SECTION 14. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

There is hereby established within the court of justice a state citizen review board. The state citizen review board shall consist of seven (7) persons to be appointed by the supreme court, at least four (4) of whom shall be members of local citizen review boards. Employes of the department shall be prohibited from serving on the state citizen review board. The three (3) remaining members shall have demonstrated interest in foster care or child welfare.

(2) Of the initial appointees, one (1) member shall be designated to serve a term of one (1) year, three (3) members to serve a term of two (2) years, and three (3) members to serve a term of three (3) years. All subsequent board members shall serve a term of three (3) years except that, if a vacancy occurs, a successor shall be appointed to serve the unexpired term.

(3) The term of each member shall expire on August first of the appropriate year. Members may be reappointed and shall continue to serve until a successor is appointed.

(4) The state citizen review board shall annually elect a chairman and vice chairman to serve in the absence of the chairman.

(5) The state citizen review board shall meet at a place designated by the chief justice at least twice annually, and more frequently upon the call of the chairman, or as the board shall determine.

(6) Members of the state citizen review board shall only receive compensation for travel mileage cost and overnight lodging at a rate consistent with that provided to state employes as provided under the law of the Commonwealth.

SECTION 15. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

The duties of the state citizen review board shall be to:

(1) Establish and approve training programs for local citizen review board members.

(2) Review and coordinate the activities of local citizen review boards.

(3) Establish reporting procedures to be followed by the local citizen review boards to provide data for the evaluation of this Act.

(4) Evaluate and make annual recommendations to the supreme court, governor, and the legislative research commission regarding:

(a) Laws of the Commonwealth and practices, policies and procedures within the Commonwealth affecting permanence for children in out-of-home placement; and

(b) The effectiveness or lack thereof and reasons therefor of local citizen review of children in foster care in bringing about permanence for the Commonwealth's children.

SECTION 16. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

(1) Operational costs for the local and state citizen review boards shall be provided by the budget of the court of justice. The chief justice shall submit a request for funding of local and state citizen review boards in each proposed budget of the court of justice.

(2) Secretarial and support services for the state citizen review board shall be provided by the administrative office of the court.

(3) The state citizen review board may receive state and federal funds to insure total or partial funding of the board's activities.

SECTION 17. A NEW SECTION OF KRS CHAPTER 208 IS CREATED TO READ AS FOLLOWS:

Each local citizen review board shall forward annually to the state citizen review board a report and any recommendations regarding:

(1) The policies and practices of the department, the court and other child-caring facilities and child-placing agencies which affect permanence for children in out-of-home placement.

(2) The process of local citizen review.

SB 219, AN ACT relating to state purchases.

Whereas, the purpose of this Act is to further the practice of the Commonwealth to encourage and assist blind and other severely handicapped individuals to achieve maximum personal independence through training for useful and gainful employment, and to reduce the dependence on direct governmental funding of those nonprofit agencies which provide training for those individuals by providing access to markets for their products and services;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

As used in this Act the words:

(1) "Other severely handicapped individuals" means an individual or class of individuals with a physical, emotional, or mental disability, other than blindness, that constitutes an obstacle to new or continued normal employment.

(2) "Products" means programs, books, tapes, records, processes, packaging, modification, supplies, food, clothing, materials, commodities, equipment of all kinds, and any other article of commerce originally manufactured or assembled or purchased for resale by a qualified nonprofit agency.

(3) "Qualified nonprofit agency for the severely handicapped" means an organization that:

(a) Is organized and operated in the interest of severely handicapped individuals; and

(b) Complies with any applicable occupational health and safety law of the United States and the Commonwealth; and

(c) In the manufacture or provision of products or services listed or purchased under this Act, during the fiscal year employs severely handicapped individuals for not less than seventy-five percent (75%) of the man hours of direct labor required for the manufacture or provision of the products or services; and

(d) Is registered and in good standing as a nonprofit organization with the secretary of state.

(4) "Services" means contractual services; rental services of all kinds; professional, technical or artistic services; and other personal performance of work by officers, employes or beneficiaries of a nonprofit agency.

(5) "State agency" means those spending agencies subject to the state purchasing requirements of KRS 45.360 to 45.990 and any regulations promulgated pursuant thereto.

SECTION 2. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

(1) All governmental bodies and political subdivisions of this state shall, when purchasing commodities or services, give first preference to the products made by the department of corrections, division of prison industries, as required by KRS 197.210. Second preference shall be given to the Kentucky industries for the blind as described in KRS 163.450 thru 163.470 and agencies of the severely handicapped as described in Section 1 of this Act.

(2) The department of finance shall make a list of commodities and services provided by these agencies and organizations available to all governmental bodies and political subdivisions. The list shall identify in detail the commodity or service, the agency or organization may supply and the price.

(3) The department of finance shall annually determine the current price range for the commodities and services offered from its experience in purchasing these commodities or services on the open market. In no case shall the prices quoted by these agencies or organizations exceed the current price range.

(4) The bureau for the blind within the education and the humanities cabinet and qualified agencies for the severely handicapped shall annually cause to be made available to the department of finance, lists of the products or services available.

(5) In the event two (2) or more of the agencies or qualified nonprofit organizations wish to supply identical commodities or services, the department of finance shall conduct negotiations with the parties to determine which shall be awarded the contract. The decision of the department of finance shall be based upon quality of the commodity or service and the ability of the respective agencies to supply the commodity or service within the requested delivery time.

Section 3. KRS 42.075, Preferred status of products of the blind, is repealed.

SB 241, AN ACT relating to pharmacists and pharmacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 315.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Association" means the Kentucky *pharmacists* [~~pharmaceutical~~] association;

(2) "Board" means the Kentucky board of pharmacy;

(3) *"Compound" or "compounding" means the preparation of prescription drug components into medication including, but not limited to, manufacturing, packaging, intravenous admixture or manual combination of drug ingredients. Compounding, as used in this Act, shall not preclude simple reconstitution, mixing or modification of drug products prior to administration by non-pharmacists.* [~~"Pharmacy" means every place where:~~

~~(a) Drugs are dispensed or sold at retail or displayed for sale at retail; or~~

~~(b) Where prescriptions are compounded; or~~

~~(c) Which has upon it or displayed within it, or affixed to or used in connection with it, a sign bearing the term "pharmacists," "pharmacy," "apothecary," "drug," "drug store," "druggist," "drugs," "medicine store," "drug sundries," "remedies," or any term of similar or like import or any place with respect to which any of those terms are used in any advertisement or telephone directory listing.~~]

(4) *"Dispense" or "dispensing" means to deliver one (1) or more doses of a prescription drug in a suitable container, appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the prescription drug* [~~"Registered pharmacist" means a natural person licensed by this state to engage in the practice of the profession of pharmacy~~].

(5) *"Drug" means any of the following:*

(a) Articles recognized as drugs or drug products in the official United States Pharmacopeia; or

(b) Articles, other than food, intended to affect the structure or function of the body of man or other animals; or

(c) Articles, including radioactive substances, intended for use in the diagnosis, cure, mitigation, treatment or prevention or disease in man or other animals [~~"Pharmacist intern" means a natural person registered with the board for the purpose of obtaining instruction in the practice of pharmacy from a registered pharmacist~~].

(6) "Manufacturer" means any person, except a pharmacist, within the Commonwealth engaged in the commercial production, preparation, propagation, compounding, conversion or processing of a drug, either directly or indirectly, by extraction from substances of natural origin or independently by means of chemical synthesis, or both, and includes any packaging or repackaging of a drug or the labeling or relabeling of its container.

(7) "Pharmacist" means a natural person licensed by this state to engage in the practice of the profession of pharmacy.

(8) "Pharmacist intern" means a natural person registered with the board for the purpose of obtaining instruction in the practice of pharmacy from a pharmacist.

(9) "Pharmacy" means every place where:

(a) Drugs are dispensed under the direction of a pharmacist and sold at retail; or

(b) Where prescriptions are compounded.

(10) "Practice of pharmacy" means a health service which includes the acquisition, dispensing, storage, and instruction as to the proper use of drugs, including radioactive substances, and related devices, the maintenance and management of health and the encouragement of safety and efficacy in those activities.

(11) "Prescription" means an original order from a licensed practitioner for drugs, devices or treatment for a human or animal.

(12) "Wholesaler" means any person, except a pharmacist, within the Commonwealth who legally buys drugs for resale and distribution to persons other than patients or consumers.

Section 2. KRS 315.020 is amended to read as follows:

(1) [~~Any person may open, own or conduct a pharmacy if he keeps a registered pharmacist constantly in charge. No person except a registered pharmacist shall himself sell at retail, manufacture, compound or dispense any drug, medicine, chemical, poison or pharmaceutical preparation for medical use, or compound and dispense practitioners' prescriptions.~~

~~(2)~~] No owner of a pharmacy or manufacturer of *pharmaceuticals* [~~pharmaceutical or proprietary preparations~~] who is not a [~~registered~~] pharmacist shall fail to place a [~~registered~~] pharmacist in charge of his place of business or shall permit any person to compound or dispense *prescription* [~~prescriptions or sell at retail~~] drugs, medicines, [~~poisons~~] or *pharmaceuticals* [~~pharmaceutical preparations~~] in his place of business except in the presence and under the immediate supervision of a [~~registered~~] pharmacist.

(2)[~~(3)~~] No person [~~not a registered pharmacist or registered assistant pharmacist~~] shall *engage in the practice of pharmacy unless licensed to so practice under the provisions of KRS Chapter 315* [~~take, use or exhibit the title of a registered pharmacist or registered assistant pharmacist~~].

Section 3. KRS 315.030 is amended to read as follows:

(1) No person shall take, use or exhibit the title of drug, drug store, pharmacy or apothecary, or any combination of such names or titles, or any title, name or description of like import, or any form designed to take the place of such a title, *or use any place with respect to which any of those terms are used in any advertisement or telephone directory listing, unless the facility has been issued a permit by the board* [~~unless he is a registered pharmacist or constantly keeps a registered pharmacist in charge of his establishment~~].

(2) No person shall call himself or hold himself out as or use the title of "pharmacist," "registered pharmacist," "licensed pharmacist," "druggist," or use the initials "R.Ph." or terms which would imply that he is a pharmacist, unless he is duly licensed under the provisions of KRS Chapter 315.

Section 4. KRS 315.035 is amended to read as follows:

(1) No person shall operate a pharmacy without having first obtained a permit as provided for in KRS Chapter 315. An application for a permit to operate a pharmacy shall be made to the board upon forms provided by it and shall contain such information as the board requires, which may include affirmative evidence of ability to comply with such reasonable standards and rules and regulations as may be prescribed by the board. Each application shall be accompanied by a reasonable permit fee not to exceed *$100.00* [~~$50.00~~].

(2) Upon receipt of an application of a permit to operate a pharmacy, accompanied by the permit fee, not to exceed *$100.00* [~~$50.00~~] the board shall issue a permit if the pharmacy meets the standards and requirements of KRS Chapter 315 and the rules and regulations of the board. The board shall refuse to renew any permit to operate on July 1, 1967 or on any subsequent renewal date thereafter unless the pharmacy meets the standards and requirements of KRS Chapter 315 and the rules and regulations of the board. The board shall act upon an application for a permit to operate within thirty (30) days after the receipt thereof; Provided, however, That the board may issue a temporary permit to operate in any instance where it considers additional time necessary for investigation and consideration before *taking final action* [~~acting~~] upon the application. In such event, the temporary permit shall be valid for a period of thirty (30) days, unless extended.

(3) A separate permit to operate shall be required for each pharmacy.

(4) Each permit to operate a pharmacy, unless sooner suspended or revoked, shall expire on June 30 following its date of issuance and be renewable annually thereafter upon proper application accompanied by such reasonable renewal fee as may be set by regulation of the board. *An additional fee in an amount to be set by the board may be assessed as a penalty for failure to renew by August 1 of each year.*

(5) Permits to operate shall be issued only for the premises and persons named in the application and shall not be transferable; Provided however, That a buyer may operate the pharmacy under the permit of the seller pending a decision by the board of an application which shall be filed by the buyer with the board at least five (5) days prior to the date of sale.

(6) The board may promulgate rules and regulations to assure that proper equipment and reference material is on hand considering the nature of the pharmaceutical practice conducted at the particular pharmacy and to assure reasonable health and sanitation standards for areas within pharmacies which are not subject to health and sanitation standards promulgated by the Kentucky department for human resources or a local health department.

SECTION 5. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) Any manufacturer or wholesaler of drugs shall be required to register with and obtain a permit from the board. Such permit shall be issued in accordance with policy and procedure prescribed by regulations of the board. The board may charge a reasonable permit fee not to exceed $100.00 for a manufacturer and for a wholesaler.

(2) Manufacturers and wholesalers shall be required to maintain accurate records of all drugs manufactured, received and sold. Such records shall be made available to agents of the board for inspection

at reasonable times. The board may require by regulation that manufacturers and wholesalers periodically report to the board all drugs manufactured, received and sold.

(3) Failure to report to the board or willful submission of inaccurate information shall be grounds for disciplinary action under the provisions of KRS 315.131.

Section 6. KRS 315.050 is amended to read as follows:

(1) Every applicant for *licensure* [~~registration~~] as a [~~registered~~] pharmacist shall be not less than eighteen (18) years of age, a citizen of the United States, of good *mental health and* moral character [~~and temperate habits~~], a graduate of a school or college of pharmacy [~~or department of a university recognized and~~] approved by the board, and shall file proof satisfactory to the board, substantiated by proper affidavits, of *completion of an internship* [~~a minimum experience in an approved pharmacy~~], under the supervision of a [~~registered~~] pharmacist, which [~~experience~~] shall *include* [~~be predominantly related to~~] the selling of drugs and medical supplies, compounding prescriptions, preparing pharmaceutical preparations and keeping records and making reports required by the state and federal statutes.

(2) After such applicant has passed a satisfactory examination [~~in written, oral and practical work,~~] conducted before the board under regulations prescribed by the board, he shall be entitled to a license as a [~~registered~~] pharmacist.

(3) *The examination for licensure shall be given by the board at least two (2) times during each year. The examination shall be prepared to measure the competency of the applicant to engage in the practice of pharmacy. The board may employ and cooperate with any organization or consultant in the preparation and grading of an appropriate examination, but shall retain the sole discretion and responsibility of determining which applicants have successfully passed such an examination.*

(4) The board shall by regulation *establish standards for qualifying internship and shall determine appropriate qualifications for pharmacists supervising approved internship programs* [~~determine the minimum experience required, such to conform with national requirements~~].

(5) The board shall issue certificates of internship which shall be valid for four (4) years from date of issuance. The fee for a certificate shall be set by the board.

Section 7. KRS 315.060 is amended to read as follows:

A reasonable [~~An~~] examination fee shall be fixed by the board not to exceed *$150.00* [~~$75.00~~] and shall be collected for each examination taken by an applicant.

Section 8. KRS 315.110 is amended to read as follows:

(1) Every [~~registered~~] pharmacist who desires to continue to practice pharmacy shall, *by* [~~during~~] January *1* of each year, pay to the executive *director* [~~secretary~~] of the board a reasonable renewal fee, to be fixed by regulation by the board, but not to exceed *$70.00* [~~$35.00~~] and shall file with the board an application in such form and containing such data as the board may require for renewal of *the* [~~his~~] license. *A penalty fee not to exceed the renewal fee may be assessed each year the licensee fails to renew the license by February 1* [~~If the board finds that the applicant has continued his pharmacy education in accordance with the regulations of the board, but the length of the study shall not exceed fifteen (15) hours in any calendar year, paid the prescribed renewal fee, and is in compliance with other applicable board regulations, the board shall issue his license renewal~~].

(2) [~~Every registered assistant pharmacist who desires to continue to practice pharmacy shall, during January of each year, pay to the executive secretary of the board a reasonable renewal fee, to be fixed by regulation by the board, but not to exceed $25.00. For this he shall receive a certificate of renewal of his license.~~

~~(3)~~] Every [~~registered~~] pharmacist [~~and every registered assistant pharmacist~~] shall keep his current certificate conspicuously displayed in his *primary* place of *practice* [~~business~~].

(3) In addition to an annual renewal certificate, each pharmacist shall be issued upon renewal a pocket certificate which shall be in the licensee's possession at all times when the licensee is engaged in the practice of pharmacy and which shall be exhibited by the licensee upon request from any member, inspector or agent of the board.

SECTION 9. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) Because of the continuous introduction of new therapeutic and diagnostic agents and changing concepts in the practice of pharmacy, it is essential that a pharmacist undertake a program of continuing education to maintain his professional competency to practice in the public interest.

(2) Effective January 1, 1983, no pharmacist's license shall be renewed until the license holder has submitted proof to the board that he has satisfactorily completed, in the previous year, a continuing education program acceptable to the board. Such continuing education requirements shall be determined by regulation of the board, but they shall not exceed fifteen (15) hours per year.

(3) The board shall adopt rules and regulations to carry out the provisions of this section, to include guidelines and criteria for reviewing and approving continuing education programs.

Section 10. KRS 315.120 is amended to read as follows:

(1) Within thirty (30) days after renewal date, the executive director shall notify all pharmacists who have failed to comply with license renewal requirements. Failure to comply within sixty (60) days after notification shall result in automatic revocation of the license, unless the pharmacist is able to show at a hearing before the board that the failure to renew was not willful. The license holder shall be advised of this in the notification.

(2) Any pharmacist who has failed to timely renew his license may renew his license only upon satisfying the continuing education regulations of the board and paying the cumulative penalty and renewal fees provided for in KRS 315.110.

(3) Any [~~registered~~] pharmacist [~~or registered assistant pharmacist~~] who has failed to secure his annual renewal certificate for five (5) consecutive years may renew his license only upon *satisfying the continuing education regulations of the board,* passing a satisfactory examination before the board *and paying the renewal and penalty fees provided for in KRS 315.110.*

(4) Any pharmacist who does not desire to meet the qualifications for license renewal shall, upon application, be issued an inactive license. Such license shall entitle the license holder to use the term "pharmacist" but the license holder shall not be permitted to engage in the practice of pharmacy. An inactive license holder may apply for an active license as provided for by the regulations of the board.

SECTION 11. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) The board may refuse to issue or renew a license, permit, or certificate, or may suspend, temporarily suspend, revoke, fine or reasonably restrict any licensee, permit holder or certificate holder for the following reasons:

(a) Knowingly making or causing to be made, any false, fraudulent or forged statement in connection with an application for a license or permit;

(b) Conviction of a felony;

(c) A physical disability, mental disability, or other condition including but not limited to drug or alcohol abuse that would make continued practice dangerous to the public;

(d) Conviction of a federal or state drug law where a fine or penalty has been imposed;

(e) Violation of any order issued by the board to comply with any applicable law or regulation;

(f) Unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public.

(2) Any licensee, permit holder or certificate holder found guilty of a violation prescribed in subsection (1)(b) or (d) of this section shall within thirty (30) days notify the board of such conviction. Failure to do so shall be grounds for suspension or revocation of the holder's license, certificate or permit.

(3) Any person whose license, permit or certificate has been revoked in accordance with the provisions of this section, may petition the board for reinstatement. Such petition shall be made in writing and in such form as prescribed by the board. The board shall investigate all such petitions and the board may reinstate a license, permit, or certificate upon showing that the former holder has been rehabilitated and is again able to engage in the practice of pharmacy with reasonable skill, competency and safety to the public.

Section 12. KRS 315.131 is amended to read as follows:

(1) In every proceeding *imposing a fine or* for probation, suspension or revocation of a license, [~~or a~~] permit *or certificate* issued pursuant to this chapter, the *executive director* [~~secretary~~] of the board shall furnish the licensee, [~~or~~] permittee *or certificate holder* with written notice setting out the substance of each offense charged with sufficient detail to reasonably apprise such person of the nature, time and place thereof. *Such written notice is sufficient if served on the licensee, permittee or certificate holder personally or by certified mail, return receipt requested, to the last known address of said licensee, permittee or certificate holder. A* [~~The~~] hearing *shall* [~~may~~] be conducted by the board or by a hearing officer appointed by the board. The respondent shall be given at least *twenty (20)* [~~thirty (30)~~] days prior written notice thereof, *and* [~~who~~] shall have the right to be present in person or by counsel, [~~and~~] to present evidence and to be heard in opposition to the charges. Upon failure of the licensee, [~~or~~] permittee *or certificate holder* to respond to the complaint at or before the time of the hearing thereon, the allegations set forth in the complaint shall be taken by the board as confessed.

(2) The board or the hearing officer appointed by it shall have the authority to issue subpoenas for the attendance of witnesses and the production of papers and records, administer oaths and schedule hearings. All decisions revoking or suspending a license, [~~or~~] permit *or certificate* or placing a licensee, [~~or~~] permittee *or certificate holder* on probation *or imposing a fine* shall be made by the board.

(3) Except as otherwise provided in this *chapter* [~~subsection~~], every order of the board suspending or revoking a license, [~~or~~] permit *or certificate or placing a licensee, permittee or certificate holder on probation or imposing a fine* shall become effective thirty (30) days after notice is given to the licensee, [~~or~~] permittee *or certificate holder*; Provided however, That the board may when in its opinion the continued practice of the licensee *or certificate holder* or the continued operation of the permittee would be dangerous to the health, welfare and safety of the general public, proclaim in its order of suspension or revocation that said

order shall become effective forthwith; in such event that board's order of suspension or revocation shall become effective as of the date specified therein and the licensee, [~~or the~~] permittee *or certificate holder* shall not, after notice of same, engage or continue to engage in any practice or operation under the license, [~~or~~] permit *or certificate* issued unless the board's order is revoked or modified by a final [~~unappealable~~] order or judgment.

(4) *A licensee, permittee or certificate holder aggrieved by an order of the board may within ten (10) days after notice thereof move the board to reconsider this order. A motion to reconsider based on newly discovered material evidence must be made within one (1) year of the entry of the order.*

(5) A licensee, [~~or~~] permittee *or certificate holder* aggrieved by an order of the board [~~suspending or revoking a license or permit~~] may within thirty (30) days after notice thereof appeal thereupon to the circuit court of the county in which the licensee, [~~or~~] permittee *or certificate holder* conducts his practice or place of business. The appeal shall be determined by the court upon the certified record and no new or additional evidence shall be heard or considered by the court.

(6)[~~(5)~~] Either party aggrieved by a final order entered by the circuit court may appeal to the Court of Appeals as in a civil action.

Section 13. KRS 315.150 is amended to read as follows:

(1) The board shall consist of *six (6)* [~~five (5)~~] members appointed by the governor. *Five (5)* [~~Four (4)~~] members shall be pharmacists *licensed* [~~registered~~] in this state. One (1) member shall be a citizen at large, who is not associated with or financially interested in the practice *of pharmacy* [~~or business regulated~~].

(2) Beginning with the year *1982* [~~1948, at its regular annual meeting~~] the association shall select and submit to the governor *a* [~~one (1)~~] list of five (5) *pharmacists* [~~persons and one (1) list of three (3) persons~~], each of whom has had at least five (5) years' experience in *the practice of pharmacy, is a resident of the state and in good standing with the board* [~~compounding and dispensing practitioners' prescriptions in this state~~]. The governor shall, before October 1 of each year, appoint *no more than two (2) persons* [~~one (1) person~~] from each list so submitted, to take office on January 1 following, *except that three (3) pharmacists shall be appointed in 1982, one (1) for a term of one (1) year, one (1) for a term of two (2) years, and one (1) for a term of three (3) years. The citizen member shall be appointed by the governor.* No two (2) *pharmacist* members of the board shall be residents of the same county.

(3) The term of each board member [~~appointed from the list of five (5) persons~~] shall be *three (3)* [~~four (4)~~] years[~~, and the term of each person appointed from the list of three (3) persons shall be one (1) year. The citizen member shall serve a term of four (4) years~~]. Each member shall serve until his successor is appointed and qualified, unless removed for cause. No member shall be so reappointed that he will serve for more than *two (2) full terms* [~~five (5) consecutive years. The pharmacist member appointed each year for a four-year term shall succeed the pharmacist member whose one-year term is expiring that year, and the pharmacist member appointed each year for a one-year term shall succeed the pharmacist member whose four-year term is expiring that year~~].

(4) The governor shall fill any vacancy of a pharmacist member from the names last submitted *within sixty (60) days after such a vacancy occurs.*

(5) Within ten (10) days after he receives his appointment each member shall take and subscribe to an oath before a competent officer, to perform the duties of his office faithfully and impartially. The oath shall be inscribed upon his commission.

(6) *Four (4)* [~~Three (3)~~] members of the board shall constitute a quorum.

Section 14. KRS 315.160 is amended to read as follows:

(1) The board shall [~~meet in January of each year and~~] elect *annually from its membership* a president and *such other officers as it deems necessary* [~~an executive secretary~~]. These officers shall serve for a term of one (1) year and perform the duties prescribed by the board. *No officer shall serve more than two (2) consecutive full terms in each office to which he is elected* [~~The president shall be elected from the members of the board, but the executive secretary need not be a member of the board~~].

(2) The board shall employ a pharmacist to serve as a full time employe of the board in the position of executive director. The executive director shall be responsible for the performance of the administrative functions of the board and such other duties as the board may direct. The board may employ, upon recommendation of the executive director, such additional assistance as necessary for the proper conduct of board business and in accordance with the rules and regulations of the Kentucky department of personnel.

(3) The board shall meet at least four (4) times a year to transact business, at such place as it may determine. The board may also meet at the call of the president or a majority of the board members. Each board member shall be given adequate prior notice of any board meeting.

Section 15. KRS 315.171 is amended to read as follows:

(1) Each member of the board, except the executive *director* [~~secretary~~], shall receive not more than seventy-five dollars ($75.00) for each day actively engaged in the service of the board. Each member shall receive his traveling expenses and all necessary expenses incurred in the performance of his official duties.

(2) The executive *director* [~~secretary~~] of the board shall receive a reasonable salary determined by the board. He shall also receive his traveling expenses and all necessary expenses incurred in the performance of his official duties.

Section 16. KRS 315.180 is amended to read as follows:

The executive *director* [~~secretary~~] shall keep a register of the names [~~and dates of registration~~] of those persons to whom a license, *permit or certificate* has been issued and *the dates thereof* [~~a register of all pharmacy permits issued~~].

Section 17. KRS 315.191 is amended to read as follows:

The board is authorized to:

(1) [~~Issue reasonable rules and regulations establishing requirements, standards and tests to determine the moral, physical, intellectual, educational, scientific, technical and professional qualifications of applicants for license to practice pharmacy and to issue, deny, suspend and revoke license, and to place licensees on probation.~~

~~(2)~~] Adopt rules and regulations necessary to regulate and control all matters set forth in this chapter relating to pharmacists and pharmacies, to the extent that regulation and control of same have not been delegated to some other agency of the commonwealth; Provided, however, That such rules and regulations relating to drugs shall be limited to the regulation and control of drugs sold by prescription. However, nothing contained in this chapter shall be construed as authorizing the board to adopt any rules or regulations relating to prices or fees or to advertising or the promotion of the sales or use of commodities or services.

(2)[~~(3)~~] Schedule and conduct hearings or to appoint hearing officers to schedule and conduct hearings on behalf of the board on any matter under the jurisdiction of the board.

(3)[~~(4)~~] Prescribe the time, place, method, manner, scope and subjects of examinations, provided however that at least two (2) examinations shall be held annually.

[~~(5) Employ whatever assistance it considers necessary.~~]

(4)[~~(6)~~] Investigate all complaints or violations of the state pharmacy laws and bring all such cases to the notice of the proper law enforcement authorities.

(5) Adopt rules and regulations necessary to control the storage, retrieval, dispensing, refilling, and transfer of prescriptions within and between pharmacies licensed by it.

[~~(7) Make bylaws for the proper execution of its duties.~~]

(6)[~~(8)~~] Perform all other functions necessary to carry out the provisions of law and the rules and regulations adopted by the board relating to pharmacists and pharmacies.

(7) There is established an advisory council which may advise the board on rules and regulations pertinent to the regulation of pharmacists, pharmacies, and drug distribution. The council shall consist of nine (9) members selected by the board for four (4) year terms, except that initial terms shall be appointed as follows: three (3) for a term of one (1) year; two (2) for a term of two (2) years; two (2) for a term of three (3) years; and two (2) for a term of four (4) years. Membership of the council shall include nine (9) individuals broadly representative of the profession of pharmacy and the general public. Members shall be selected by the board from a list of qualified candidates submitted by the association, or other interested parties, or both.

Section 18. KRS 315.195 is amended to read as follows:

All license [~~fees~~], permit *and certificate* fees and charges, and other moneys collected by the board[~~,~~] under the provisions of this chapter, and the rules and regulations of the board adopted hereunder, shall be paid into the state treasury and credited to a trust and agency fund to be used by the board in carrying out the provisions of this chapter. No part of this fund shall revert to the general fund of the Commonwealth. *All fines shall be deposited to the credit of the board to be used by the board in carrying out the provisions of this chapter* [~~All moneys held in a trust and agency fund or other fund to the credit of the board for the administration and enforcement of this chapter on June 16, 1966, are hereby transferred to the trust and agency fund herein created~~].

SECTION 19. A NEW SECTION OF KRS CHAPTER 315 IS CREATED TO READ AS FOLLOWS:

(1) The governor may remove a member of the board for any of the following reasons:

(a) Refusal or inability of a board member to perform his duties as a member of the board in an efficient, responsible and professional manner;

(b) Misuse of the office by a member of the board to obtain personal, pecuniary or material gain or advantage for himself or another;

(c) Willful violation of any provision of KRS Chapter 315 or any rule or regulation promulgated thereunder.

(2) Any person may file a complaint with the executive director of the board against a board member alleging specific facts which constitute grounds for removal from the board. The executive director shall transmit a copy of any such complaint to the governor, the president of the board and the accused board member. Upon a written recommendation of the governor or two-thirds (⅔) of the members of the board,

a hearing shall be conducted before an impartial hearing officer. The accused board member shall be given thirty (30) days' notice of any hearing and shall have the right to appear with counsel and to present evidence and be heard in opposition to the charges.

(3) The hearing officer shall submit a transcript of the hearing to the governor with a recommendation based on evidence presented in the hearing. The governor shall review the transcript to determine if the evidence supports the recommendation, and he shall enter a finding in accordance with such determination.

(4) In the event a board member is removed, his removal shall be effective as of the date of the governor's finding and a vacancy shall be deemed to exist. Any board member so removed shall be entitled to appeal the removal in the Franklin Circuit Court.

Section 20. KRS 315.990 is amended to read as follows:

(1) Any person violating *any provision* [~~subsection (1)~~] of KRS *Chapter 315* [~~315.020~~] shall be fined *for each offense* not less than $100 nor more than $1,000 or imprisoned in the county jail for not more than six (6) months, or both. *Each week that any provision of this chapter is violated shall also constitute a separate offense.*

(2) *The board may levy an administrative fine not to exceed $500 for each offense, for any violation of Section 11 of this Act. All such fines shall be deposited to the credit of the licensing board to be used by the board in carrying out the provisions of this chapter.* [~~Any person who violates subsection (2) of KRS 315.020 shall be fined not less than $25.00 nor more than $100 for each offense. Each week that this subsection is violated shall constitute a separate offense.~~

~~(3) Any person who violates subsection (3) of KRS 315.020 shall be fined not less than $50.00 nor more than $200 for each offense.~~

~~(4) Any person violating KRS 315.030 shall be fined for each offense not less than $100 nor more than $1,000 or imprisoned in the county jail for six (6) months, or both. Each week that an establishment is operated in violation of KRS 315.030 shall constitute a separate offense.~~

~~(5) Any proprietor or person in charge of a pharmacy who violates subsection (2) or (3) of KRS 315.080 shall be fined not less than $20.00 nor more than $100 for each offense.~~

~~(6) Any person who violates KRS 315.100 shall be fined not less than $25.00 nor more than $100 for each offense.~~

~~(7) Any registered pharmacist or registered assistant pharmacist who is habitually intoxicated shall be fined not less than $25.00 nor more than $50.00 for the first and second offenses and upon conviction of the third offense, his license shall be revoked by the board.~~]

Section 21. KRS 214.990 is amended to read as follows:

(1) Every head of a family who wilfully fails or refuses and every physician who fails or refuses to comply with KRS 214.010 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100) for each day he neglects or refuses to report. Repeated failure to report is sufficient cause for the revocation of a physician's certificate to practice medicine in this state.

(2) Any owner or person having charge of any public or private conveyance, including watercraft, who refuses to obey the rules and regulations made by the department for human resources under KRS 214.020 shall, for each offense, be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) or imprisoned in the county jail for not less than ten (10) nor more than sixty (60) days, or both.

(3) Any physician or other person legally permitted to engage in attendance upon a pregnant woman during pregnancy or at delivery who fails to exercise due diligence in complying with KRS 214.160 and 214.170 shall be fined not less than five dollars ($5.00) nor more than ten dollars ($10.00).

(4) [~~Any person who violates any of the provisions of KRS 214.190 to 214.270 shall be fined not less than one hundred dollars ($100) or imprisoned in the county jail for not more than ninety (90) days, or both.~~

~~(5)~~] Any person who violates any of the provisions of KRS 214.280 to 214.310 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense, or imprisoned in the county jail for not less than three (3) months nor more than six (6) months, or both.

(5)[~~(6)~~] Any person who violates any provision of KRS 214.034 or KRS 158.035 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100), or imprisoned for not less than ten (10) days nor more than sixty (60) days, or both.

Section 22. The following KRS sections are repealed:

315.070	Pharmacist holding license on May 30, 1938 to secure renewal of license only.
315.080	Licensed assistant pharmacists.
315.085	Assistant pharmacists may be examined and licensed as licensed pharmacists.
315.100	False representations prohibited.
315.123	Suspension or revocation of pharmacy permit, grounds.
315.127	Revocation or suspension of pharmacist's license.
315.140	Forfeiture of license.

Committee Amendment No. 1 to **SB 241** is as follows:

Amend printed copy of **SB 241,** page 3, line 18, by deleting after the word "*pharmacist*" the following: "*and sold at retail*"

And on page 3, line 21, by deleting after the words "*includes the*" the following: "*acquisition,*"

And on page 26, line 9, by deleting the word "*this*" and inserting in lieu thereof the following: "*KRS 315.202, 315.030, or 315.035*"

And on page 26, line 10, by deleting the word "*chapter*"

And on page 27, by deleting lines 17 through 26 in their entirety

And on page 28, by deleting lines 1 through 26 in their entirety

And on page 29, by deleting lines 1 through 3 in their entirety

And on page 29, line 4, by renumbering "Section 22" as "Section 21"

And on page 29, after line 16, by adding the following: "315.991 Penalties."

Calendar

HB 246, HB 495, HB 213, HB 510, HB 362, HB 391, HB 397, HB 606, HB 282, SB 165, SJR 27, HB 718, SB 39, SB 160, SB 207, SB 234, HB 670, HB 821, HB 444, and Proposed Regulation 815 KAR 20:030 taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 161, HB 393, HB 455, HB 585,** and **HJR 34** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:20 p.m.)

HB 161, HB 393, HB 455, HB 585, and **HJR 34** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

HB 677 taken from the Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **HB 677** be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomason, Tobin, Todd, Van Horn, Yates. Nays 0.

HB 677 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 677** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 161** and **SB 163** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:30 p.m.)

Orders of the Day (continued)

HR 43 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noland moved the adoption of **HR 43.**

HR 43 was adopted by voice vote.

HCR 46, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to **HCR 46.** Agreed.

Representative Arnold moved that **HCR 46,** as amended, be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Yates. Nays 0.

HCR 46, as amended, was passed.

Representative Arnold moved the adoption of the Floor Title Amendment to **HCR 46.** Agreed.

Representative Arnold moved that the vote by which **HCR 46,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 47 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of **HCR 47.**

On the roll call the vote was yeas 73-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Moore, Nett, Noland, Overstreet, Patrick, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Tobin, Todd, Van Horn, Yates. Nays 1-Thomason.

HCR 47 was adopted and the title agreed to.

Representative Holbrook moved that the vote by which **HCR 47** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 49 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of **HCR 49.**

On the roll call the vote was yeas 77-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Holbrook, Holloway, R. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

HCR 49 was adopted and the title agreed to.

Representative Arnold moved that the vote by which **HCR 49** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 75, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Floor Amendment No. 2 to **SB 75.** Agreed.

The Speaker assumed the Chair.

Representative Blevins moved that **SB 75,** as amended, be passed.

On the roll call the vote was yeas 74-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, R. Jones, T. Jones, Kidd, Lefevers, Lile, List, Little, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, Worthington, Yates. Nays 2-Fryman, Layman.

SB 75, as amended, was passed and the title agreed to.

Representative Blevins moved that the vote by which **SB 75,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 33 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rattliff moved that **SB 33** be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

SB 33 was passed the the title agreed to.

Representative Rattliff moved that the vote by which **SB 33** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 52 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved that **SB 52** be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

SB 52 was passed and the title agreed to.

Representative Guenthner moved that the vote by which **SB 52** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 159 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **SB 159** be passed.

On the roll call the vote was yeas 85-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

SB 159 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **SB 159** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 202 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved that **SB 202** be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Worthington, Yates. Nays 3-Bendl, Cowan, R. Jones.

SB 202 was passed and the title agreed to.

Representative Guenthner moved that the vote by which **SB 202** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 820 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **HB 820** be passed.

On the roll call the vote was yeas 67-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Foster, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Moore, Morris, Nett, Noe, Noland, O'Brien, Perkins, Petty, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Worthington, Yates. Nays 15-Allen, Burnette, Clarke, Craddock, Crupper, Farrow, Ford, Freibert, Hancock, Meyer, Moberly, Patrick, Pearman, Rapier, P. Richardson.

HB 820 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 820** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 278 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 278** be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

SB 278 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 278** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 229 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stone moved that **HB 229** be passed.

Representative Guenthner moved that **HB 229** be laid on the Clerk's desk. Rejected.

On the roll call the vote was yeas 53-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Gray, Handy, Hines, T. Jones, Kenton, Kidd, Lile, Little, Mann, McBee, Moberly, Nett, Noe, Noland, Overstreet, Perkins, Petty, Rapier, Richards, B. Richardson, Robinson, B. Smith, F. Smith, Stone, Stumbo, Tobin, Turner, Van Horn, Williams, Yates. Nays 35-Allen, Barrows, Clarke, Craddock, Crupper, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Guenthner, Haering, Harper, Head, Heleringer, Holloway, R. Jones, Layman, Lefevers, List, Long, Lundergan, McNutt, Meyer, Moore, Morris, O'Brien, Patrick, Pearman, Riner, Schmidt, Thomas, Thomason, Todd.

HB 229 was passed and the title agreed to.

Representative Stone moved that the vote by which **HB 229** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 436 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **HB 436** be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Barrows, Bendl, Bennett, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, Meyer, Morris, Nett, Moland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Thomas, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 7-Heleringer, List, McBee, Moberly, Moore, Noe, Stumbo.

HB 436 was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 436** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 289 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **HB 289** be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blevins, Brinkley, Bronger, Bruce, Burnette, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Brown, Foster, Guenthner.

HB 289 was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 289** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 429, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of the Committee Substitute to **HB 429.** Agreed.

Representative F. Smith moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 429.** Rejected.

Representative Long moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 429.** Agreed.

Representative Long moved that **HB 429,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 59-Arnold, Barrows, Bendl, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clarke, Cline, Cowan, Craddock, Curd, Dawahare, Donnermeyer, Ellington, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Pearman, Perkins, Rapier, Richards, B. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Worthington, Yates. Nays 34-Allen, Bennett, Blevins, Bruce, Burnette, Crupper, Cyrus, Dunn, Endicott, Farrow, Ford, Fryman, Gray, Haering, Head, Holloway, R. Jones, Kidd, Little, Maggard, McBee, Morris, Noland, Overstreet, Petty, Rattliff, P. Richardson, Robinson, Stumbo, Todd, Turner, Van Horn, White, Williams.

HB 429, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 429,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 483, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the Committee Amendment No. 1 to **HB 483.** Agreed.

Representative Nett moved the adoption of the Committee Amendment No. 2 to **HB 483.** Agreed.

Representative Nett moved that **HB 483,** as amended, be passed.

On the roll call the vote was yeas 48-Bendl, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Clarke, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Foster, Gray, Guenthner, Hancock, Handy, Head, Hines, R. Jones, T. Jones, Kenton, List, Long, Lundergan, Mann, McBee, Meyer, Moberly, Nett, Noe, O'Brien, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, B. Smith, Stone, Thomas, White, Williams, Worthington, Yates. Nays 15-Allen, Dunn, Freibert, Fryman, Haering, Heleringer, Layman, Lile, Morris, Noland, Patrick, Pearman, Tobin, Turner, Van Horn.

HB 483, as amended, was passed and the title agreed to.

Representative Nett moved that the vote by which **HB 483,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 598, with Committee Substitute and Floor Amendment attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Jones moved the adoption of the Committee Substitute to **HB 598.** Agreed.

Representative B. Jones moved that **HB 598,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 41-Arnold, Blandford, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Cline, Cowan, Craddock, Donnermeyer, Dunn, Foster, Guenthner, Haering, Hancock, Harper, Holbrook, Holloway, R. Jones, Lefevers, Lile, Long, Meyer, Morris, Nett, O'Brien, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, Stone, Turner, Williams, Worthington. Nays 32-Allen, Barrows, Boswell, Burnette, Clark, Clarke, Curd, Cyrus, Endicott, Farrow, Ford, Freibert, Gray, Head, Heleringer, Johnson, T. Jones, Layman, List, Little, Lundergan, Maggard, Moberly, Moore, Noe, Noland, Patrick, Riner, B. Smith, Tobin, Van Horn, White.

HB 598, by way of Committee Substitute, was passed.

Representative B. Jones moved the adoption of the Floor Title Amendment to the Committee Substitute to **HB 598.** Agreed.

Representative B. Jones moved that the vote by which **HB 598,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 745 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **HB 745** be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 1-Bennett.

HB 745 was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 745** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 756, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Committee Substitute to **HB 756.** Agreed.

Representative Kenton moved that **HB 756,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

HB 756, by way of Committee Substitute, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 756,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 370, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Overstreet moved the adoption of the Committee Substitute to **HB 370.** Agreed.

Representative Overstreet moved that **HB 370,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Heleringer, Moore, Hancock.

HB 370, by way of Committee Substitute, was passed and the title agreed to.

Representative Overstreet moved that the vote by which **HB 370,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 587 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **HB 587** be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 2-Moore, Turner.

HB 587 was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 587** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 631 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **HB 631** be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 1-Williams.

HB 631 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 631** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 660, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Floor Amendment No. 2 to **HB 660.** Agreed.

Representative LeMaster moved that **HB 660,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 1-Fryman.

HB 660, as amended, was passed and the title agreed to.

HB 683 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved that **HB 683** be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 2-Fryman, Morris.

HB 683 was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 683** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 731 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Moberly moved that **HB 731** be passed.

On the roll call the vote was yeas 55-Allen, Arnold, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Harper, Holbrook, R. Jones, Layman, LeMaster, Lile, List, Long, Lundergan, McBee, McNutt, Moberly, Morris, Noland, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Todd, Turner, Worthington, Yates. Nays 34-Barrows, Bendl, Bennett, Blandford, Boswell, Clarke, Cowan, Dawahare, Deskins, Dunn, Haering, Hancock, Handy, Head, Heleringer, Hines, Holloway, Johnson, T. Jones, Kenton, Kidd, Lefevers, Little, Meyer, Moore, Nett, Noe, O'Brien, Overstreet, Seum, Tobin, Van Horn, White, Williams.

HB 731 was passed and the title agreed to.

Representative Moberly moved that the vote by which **HB 731** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 72 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **SB 72** be passed.

On the roll call the vote was yeas 64-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Foster, Freibert, Gray, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Lefevers, Lile, Little, Long, McNutt, Meyer, Morris, Net, Noe, O'Brien, Perkins, Petty, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomas, Todd, Van Horn, Williams, Yates. Nays 22-Allen, Clarke, Crupper, Donnermeyer, Farrow, Ford, Fryman, Guenthner, Haering, Hines, LeMaster, Maggard, McBee, Moberly, Moore, Noland, Pearman, B. Richardson, B. Smith, Tobin, Turner, White.

SB 72 was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 72** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 191, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of the Committee Substitute to **SB 191.** Agreed.

Speaker Pro Tempore Thomason presiding.

Representative Long moved the adoption of the Floor Amendment No. 1 to Committee Substitute to **SB 191.** Agreed.

Representative Long moved that **SB 191,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 2-Heleringer, Worthington.

SB 191, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Long moved that the vote by which **SB 191,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 237 taken from Order of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 237** be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, Layman, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 10-Endicott, Farrow, Ford, Freibert, Hancock, Harper, Lile, Meyer, Morris, Rattliff.

SB 237 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 237** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions.

Floor Amendment No. 2 to **HB 293** by Representative Robinson:

Amend printed copy of **HB 293,** page 1, line 3, by placing brackets and strikethrough around the "[~~6:00~~]" and after the word "at" by inserting "*5:00*"

and on line 4 by deleting "*7:00*" and after the word "at" by inserting "*6:00*"

and on line 6 by deleting "*6:00*" and after the word "*until*" by inserting "*5:00*"

and on line 7 by deleting "*7:00*" and after the word "*until*" by inserting "*6:00*"

and on line 15 by placing brackets and strikethrough around the "[~~7:00~~]" and after the word "after" by inserting "*6:00*"

and on line 16 by deleting "*8:00* and after the word "*after*" by inserting "*7:00*"

and on line 17 by placing brackets and strikethrough around the "[~~6:00~~]" and after the word "after" by insering "*5:00*"

and on line 18 by deleting "*7:00*" and after the word "*after*" by inserting "*6:00*"

Floor Amendment No. 3 to **HB 293,** by Representative Robinson:

Amend printed copy of **HB 293,** on page 1, line 1, after "Section 1." by inserting the following: KRS 117.275 is amended to read as follows:

(1) At the count of the votes in any such precinct, any candidate and any representatives to witness and check the count of the votes therein, who are hereby authorized to be appointed as is provided in subsection (6) of this section, shall be admitted and be permitted to be present and witness the count.

(2) As soon as the polls are closed, and the last voter has voted, the judges shall immediately lock and seal the operating lever or mechanism of the machine so that the voting and counting mechanism will be prevented from operation, and they shall then sign a certificate stating:

(a) That the machine has been locked against voting and sealed;

(b) The number of voters, as shown on the public counters;

(c) The number registered on the protective or accumulative counter or device, if any; and

(d) The number or other designation of the voting machine, which certificate shall be returned by the judges of election to the officials authorized by law to receive the same. The judges shall then compare the number of voters, as shown by the counter of the machine, with the number of those who have voted as shown by the protective or accumulative counter or device.

(3) *In the case of statewide elections, no earlier than 6:00 p.m. in the central time zone or 7:00 p.m. in the eastern time zone, the* [The] judges, in the presence of the representatives mentioned in subsection (1), if any, and of all other persons who may be lawfully within the polling place, shall then make visible the registering counters, and, for that purpose, shall unlock and open the doors, or other covering concealing the same, giving full view of all the counter numbers. The judges shall, under the scrutiny of such representatives, and in the order of the offices as their titles are arranged on the machine, read and announce, in distinct tones, the results as shown by the counter numbers for each candidate and for and against each question voted on. The counters shall not be read consecutively along the party rows or columns, but shall always be read along the office columns or rows, completing the canvass for each office or question before proceeding to the next. The vote as registered shall be entered by the judges, in ink, on quadruplicate return sheets, and also on a general return sheet and statement, all of which, after the canvass is completed, shall be signed by the judges. The total votes cast for each candidate, and for and against each question, and the votes written in, shall then be entered on the general and quadruplicate return sheets and statement. There shall also be entered on the general return sheet and statement the number of voters who have voted, as shown by the lists of voters, and the number who have voted on each machine, as shown by the public counters, and also the number registered on the protective or accumulative counter or device on each machine immediately after the closing thereof and sealing of the machine. The number or other designation of each machine used shall also be entered thereon. In the case of primary elections, quadruplicate return sheets shall remain exposed to view until the said returns and all other reports have been fully completed.

(4) The proclamation of the result of the votes cast shall be announced distinctly and audibly by one of the judges of election, who shall read the name of the vote cast for each candidate and the vote for and against each question submitted. During such proclamation ample opportunity shall be given to any person lawfully present to compare the results so announced with the counter dials of the machine, and any necessary corrections shall then and there be made by the judges, after which the doors or other cover of the voting machine shall be closed and locked and the return sheet shall be signed by each of the judges of election. If any judge shall decline to sign such return, he shall state his reason therefor in writing, and a copy thereof, signed by him, shall be enclosed with such return. Each of the return sheets shall be enclosed in an envelope, which shall be securely sealed, and each of the judges shall write his name across the fold of the envelope. One (1) of the quadruplicate return sheets, along with the general return sheet and precinct list, shall be directed to the county board of elections of the county in which the election is being held, one (1) to the county clerk of the county in which the election is being held and one (1) to the local governing body of each of the two (2) dominant political parties. Said envelope shall have endorsed thereon a certificate of the election officers, stating the number of the machine, the precinct where it has been used, the number on the seal, and the number on the protective or accumulative counter or device at the close of the polls. Following the tabulation of all votes cast in the election, including absentee votes, the county board shall immediately mail the tabulation result, the general return sheets and the precinct lists from each precinct to the state board of elections.

(5) As soon as possible after the completion of the count, the election officers shall return to the county board of elections the keys to the voting machine received and receipted for by them, and the county clerk in which the precinct is located shall have the voting machine properly boxed or securely covered and removed to a proper and secure place of storage.

(6) In primary elections, each candidate or group of candidates may designate to the county board of elections a representative to witness and check the vote count. In regular elections, the governing authority of each political party, each candidate for member of board of education, independent candidate or independent ticket may designate a representative to the county board of elections to witness and check the vote

count. The county board of elections shall authorize representatives of the news media to observe the taking of the tally of votes from the voting machine in each precinct in each primary, regular or special election.

(7) If supplemental paper ballots have been approved, as provided in KRS 118.215, after the polls are closed, the precinct election officials shall stamp "Unused" on all supplemental paper ballots not used. The election officers shall string all used ballots' stubs upon a string provided for that purpose, and the stubs shall be placed in an envelope. The sheriff and the judge from the opposite political party from the sheriff shall return to the county clerk's office the locked ballot box, all ballot stubs, spoiled ballots and unused ballots at the same time as the tabulation of votes from the voting machine is delivered. The county clerk shall issue a receipt for the number of ballot stubs, unused ballots, spoiled ballots and the ballot box. The county board of elections, or its designee, shall count and tally the paper ballots manually or with the use of tabulating equipment which does not involve an additional voting system. The results of the vote tally shall be certified by the county board of elections to the county clerk and to the secretary of state. The county board of elections shall authorize the candidates or their representatives and representatives of the news media to be present during the counting of the paper ballots. The county clerk shall retain the paper ballots for sixty (60) days, after which time they shall be burned by the county board of elections if no contest or recount action has been filed.

and before "KRS" by inserting "Section 2.".

Floor Amendment No. 1 to **HB 471,** by Representative Meyer:

Amend printed copy of **HB 471,** on page 1, line 5, by deleting "*other than a*" and inserting in lieu thereof "*any*"

and on page 1, line 6, by deleting "*the capital stock of which is wholly owned by a*"

and on page 1, line 7, by deleting "*city of the first class,*"

and inserting in lieu therof "*or private utility*"

and on page 1, line 17, by deleting "*other than a*" and inserting in lieu thereof "*any*"

and on page 1, line 18, by deleting "*the capital stock of which is*"

and on page 1, line 19, by deleting "*wholly owned by a city of the first class,*" and inserting in lieu thereof "*or private utility*"

Floor Amendment No. 4 to Committee Substitute to **HB 503,** by Representative LeMaster:

Amend printed copy of Committee Substitute to **HB 503,** on page 2, line 24 by adding after the "." the following: "*Provided, however that in no instance shall the use allowance be less than one dollar ($1.00) per net square foot of space occupied by the court of justice.*"

Floor Amendment No. 5 to Committee Substitute to **HB 503,** by Representative Clarke:

Amend printed copy of Committee Substitute to **HB 503,** on page 15, line 18, by deleting "*1981-*"; and

on page 15, line 18, by placing a bracket before "year" and after "1982" and striking through same; and

on page 15, line 18, by deleting "*and fiscal*"; and

on page 15, line 23, by placing brackets around "six" and striking through same and inserting in lieu thereof "*five*"; and

on page 15, line 23, by placing brackets around "(6%)" and striking through same and inserting in lieu therof "*(5%)*".

Floor Amendment No. 1 to Committee Substitute to **HB 513,** by Representative Worthington:

Amend printed copy of Committee Substitute to **HB 513,** on page 1, line 18, by placing a bracket before the word "all" and after the word "other" and striking through such words;

by inserting after the word "counties" the following: *containing a city of the third class, but not a city of the first or second class, or an urban-county form of government,*

Line 21, by inserting after the punctuation mark ".", the following: *In counties containing a city of the fourth or fifth class, but not a city of the first, second, or third class, or an urban-county form of government, the amount of the county clerk's bond shall be at least seventy-five thousand dollars ($75,00). In counties containing a city of the sixth class, but not a city of the first, second, third, fourth, or fifth class, or an urban-county form of government, the amount of the county clerk's bond shall be at least fifty thousand dollars ($50,000).*

Floor Amendment No. 2 to **HB 658,** by Representative LeMaster:

Amend printed copy of **HB 658,** page 3, line 6, by deleting the word "*insurer*" and substituting in lieu thereof the word "*issuer*";

and on page 5, line 24, by deleting the "*s*" on the word "*commissioners*";

and on line 25, by deleting the word "*the*" and substituting in lieu thereof the word "*this*".

Floor Amendment No. 1 to **HB 706,** by Representative Worthington:

Amend printed copy of **HB 706,** on page 2, line 2, by inserting after the word "*section*" the words "*shall not be limited by the two percent (2%) maximum set forth in subsection (1) of this section but*"

Floor Amendment No. 1 to Committee Substitute to **HB 744,** by Representative Arnold:

Amend printed copy of Committee Substitute to **HB 744,** on page 2, line 9 by inserting after the word "*program*" and before the period "."the following: "*and may accept easements as provided in KRS 65.410-65.480.*"

and on page 4, line 18, by inserting after the word "*member*" the following: "*, or any successor heir of the member,*"

and on page 5, lines 1 and 2, by deleting all after "*(13)*" and inserting in lieu thereof the following: "*Land which is included in an agricultural district, as provided for in this section, shall not be taken through the power of eminent domain.*"

and on page 5, following line 2, add:

"*(14) Agricultural districts shall be comprised only of agricultural land as defined in KRS 132.010.*"

Floor Amendment No. 1 to **HB 809,** by Representative Clarke:

Amend printed copy of **HB 809,** on page 2, line 16, by deleting therefrom *1978-79* and substituting in lieu thereof *1981-82*;

on page 4, line 20 by deleting therefrom *1978-79* and substituting in lieu thereof *1981-82*

on page 6, line 13 by deleting therefrom *1978-79* and substituting in lieu thereof *1981-82*: and

on page 8, line 17, by deleting therefrom *1978-79* and substituting in lieu thereof *1981-82.*

Floor Title Amendment to **SB 180,** by Representative Van Horn:

Amend printed copy of Senate Bill 180, on page 1, line Title, by adding thereto the following: "and the designation of the coon hound as the official state dog of Kentucky"

Floor Amendment No. 1 to **SB 180,** by Representative Van Horn:

Amend printed copy of **SB 180,** on page 1, following line 16 by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The coon hound is named and designated as the Kentucky state dog.

SECTION 3. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

Compliance with this Act shall not affect existing supplies of state promotional materials.

SECTION 4. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The state coon hound shall be officially referred to as "Old Blue.'""

Floor Title Amendment to **SB 274,** by Representative Cyrus:

Amend printed copy of **SB 274,** page 1, Title, by deleting "AN ACT relating to workers' compensation and insurance ratemaking" and inserting in lieu thereof "AN ACT relating to insurance"

Floor Amendment No. 2 to **SB 274,** by Representative Van Horn:

Amend printed copy of **SB 274,** on page 31, lines 6 through 12, by deleting said lines in their entirety and substituting in lieu thereof the following:

(6) All moneys charged insureds or members of self-insured groups for assessments and taxes under this chapter and KRS Chapter 136 shall be clearly and separately identified as such to each insured or group member and shall, except for a two percent (2%) collection allowance, be paid into the state treasury and credited to the appropriate fund for which said assessment or tax is charged.

Floor Amendment No. 1 to **HB 816,** by Representative Dawahare:

Amend printed copy of **HB 816,** on page 8, after line 4, by adding the following:

"Section 6. A NEW SECTION OF KRS CHAPTER 157 IS AMENDED TO READ AS FOLLOWS:

(1) A single salary schedule, including both state and local funds, shall be established for all teachers in each rank in the public schools. The first 30 million dollars of coal severance tax shall be added to this fund."

Representative LeMaster moved that the rules be suspended for the purpose of making a motion. Agreed.

Representative LeMaster moved that the three-day posting requirement be waived in regard to **HB 295.** Agreed.

Representative LeMaster moved that the three-day posting required be waived in regard to **HB 475.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsors requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions:

Representative Arnold, **HB 583, HB 707;** Representative Blevins, **HR 87;** Representative Handy, **HB 814;** Representative Hines, **HB 583;** Representative Maggard, **HB 820;** Representative Noe, **HB 771;** Representative O'Brien, **HB 505.**

The following members filed requests to have their names withdrawn as co-sponsors of Bills and Resolutions: Representative Stone, **HB 651;** Representative Heleringer, **HB 816;** Representative Hines, **HB 155;** Representative Riner, **HB 816.**

Representative Endicott moved the adoption of the following Legislative Citations No. 55 and 56. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Inez Volunteer Fire Department of Martin County, for your indispensable and outstanding services to your community in Fire prevention and safety, and in protection of the public welfare. In the midst of great perils, you have made supreme sacrifices, always going beyond the call of duty, investing long hours and tireless efforts. The improved services resulting from your extensive training and modern equipment demonstrate your dedication and humitarian spirit.

This prestigious body salutes you for your unselfish and sacrificial services to all mankind. (Sponsored by Representative Endicott)

The House of Representatives of the Commonwealth of Kentucky hereby commends the Warfield Volunteer Fire Department of Martin County, for your indispensable and outstanding services to your community in Fire prevention and safety, and in protection of the public welfare. In the midst of great perils, you have made supreme sacrifices, always going beyond the call of duty, investing long hours and tireless efforts. The improved services resulting from your extensive training and modern equipment demonstrate your dedication and humanitarian spirit.

This prestigious body salutes you for your unselfish and sacrificial services to all mankind. (Sponsored by Representative Endicott)

Representative Tobin moved that **HB 523** be taken from the Committee on Judiciary-Criminal and placed in Orders of the Day. (Discharge petition filed on March 12, 1982.)

The Speaker resumed the Chair.

The following meetings were announced.

Committee on Rules: On adjournment, Room 316.

Health and Welfare: Tuesday, 10 a.m., Room 109.

Health and Welfare: Special meeting, Wednesday, 8:30 a.m.

State Government: Special meeting, Tuesday, Noon.

Education: On adjournment, Chamber.

Counties and Special Districts: 8:00 a.m. instead of 8:30 a.m.

Senate Message

Announcing passage of **SB 291, SB 302, SB 348, SB 354, SB 386, SB 392, SB 393, SCR 50, HB 32, HB 95, HB 203** with Senate Amendment, **HB 252, HB 306, HB 323, HB 325** with Senate Amendment, **HB 377, HB 422, HB 442, HB 445, HB 505.**

Representative LeMaster moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 87, by Representative Barrows, Lundergan, and LeMaster: A RESOLUTION adjourning the House of Representatives in honor of Albert Benjamin "Happy " Chandler.

HR 87, A RESOLUTION adjourning the House of Representatives in honor of Albert Benjamin "Happy" Chandler [illegible]

WHEREAS, Albert Benjamin "Happy" Chandler was born in Corydon, Kentucky on July 14, 1898, the son of Joseph and Callie (Sanders) Chandler; and

WHEREAS, Happy Chandler is perhaps the most illustrious Kentuckian of this century, initiating his remarkable public life as a football coach at Centre College in Danville, Kentucky from 1922 to 1924; and

WHEREAS, in 1924, Happy Chandler opened a law practice in Versailles, Kentucky, a city which is still proud to claim Happy and his wife Mildred (forever endeared to us all as "Mama") as among its leading citizens; and

WHEREAS, Happy was appointed as master commissioner of the Circuit Court in Woodford County in 1928, a position which spearheaded his launch into the political arena; and

WHEREAS, Happy Chandler was elected as a member of the prestigious Kentucky Senate from the 22nd District in 1929; served as Lieutenant Governor from 1931 to 1935, catapulting into the Governor's seat from 1935 to 1939, and again serving as chief executive of the Commonwealth from 1955 until 1959; and

WHEREAS, Happy Chandler resigned as Governor in 1939 to be appointed as our United States Senator, a vacancy caused by the tragic loss of Marvell Mills Logan; and

WHEREAS, Happy was elected in 1940 to fill the term until January of 1943, and during the interim in 1942, he was re-elected to serve a six year term as U.S. Senator; and

WHEREAS, Happy Chandler was one of five U.S. Senators designated to visit world battle fronts in 1943, and they made the first landplane flight ever made across the Indian Ocean from Ceylon to Australia; and

WHEREAS, in 1945 Happy Chandler became High Commissioner of Baseball, serving in that capacity until 1951; and

WHEREAS, utilizing his resourcefulness to enhance the game of baseball, Happy Chandler was instrumental in the establishment of a pension fund for the players. Chandler would negotiate radio and television contracts for the annual All-Star Game and the resulting revenue was turned over to the pension fund; and

WHEREAS, the most memorable and notable accomplishment of Chandler's tenure as Baseball Commissioner was his decision to support Branch Rickey and the Brooklyn Dodgers in 1947, allowing Jackie Robinson to become the first black man to play professional baseball; and

WHEREAS, Albert Benjamin Chandler has been elected by the Veterans Committee to be inducted on August 2, 1982, into the Baseball Hall of Fame; and

WHEREAS, Happy Chandler's epitaph may be one of his fondest quotes, "Say I was sober and meant to do every damn thing I did";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House is proud to proclaim Albert Benjamin "Happy" Chandler as an outstanding citizen and exemplary representative of the Commonwealth.

Section 2. That when this prestigious body does adjourn this day, Monday, March 15, 1982, it does so in honor of Happy Chandler.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to Albert Benjamin Chandler.

Representative Barrows moved the adoption of **HR 87.**

HR 87 was adopted by voice vote.

Representative Barrows moved that the rules be suspended to allow a call of the roll to show co-sponsors of **HR 87.** Agreed.

The following members requested that their names be added as co-sponsors of **HR 87:** Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Burch, Burnette, Clark, Craddock, Crupper, Donnermeyer, Dunn, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Harper, Head, Heleringer, Hines, Holloway, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Maggard, Mann, Meyer, Moore, Nett, Noland, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington.

Representative LeMaster moved that the rules be suspended for Report of Committees. Agreed.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary-Civil: **HB 773.**

Appropriations and Revnue: **HB 728, HB 624, HB 456, SB 248, SB 243.**

Health and Welfare: **SB 235, SB 296, SB 197, SB 198, HB 815, HB 618, HR 51, HB 784.**

State Government: **SB 131, SB 277, HB 608, HCR 66, SB 107, SB 150, SB 152, SB 170, SB 172, SB 174, SJR 41.**

Business Organizations and Professions: **HB 454, SB 376.**

Natural Resources and Environment: **SB 279.**

Counties and Special Districts: **SB 352.**

Transportation: **SB 144, SB 153, SB 226.**

Judiciary-Civil: **HB 58.**

Report of Committees

The Committee on Appropriations and Revenue reported **HB 34,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 1 to **HB 34** is as follows:

Amend printed copy of **HB 34,** on page 4 line 12, by deleting the amount, "$268,500", and inserting in lieu thereof the amount, $150,000

Line 13, by deleting the amount, "$297,000" and inserting in lieu thereof the amount, $160,000

The Committee on Appropriations and Revenue reported **HR 6,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 2 to **HR 6** is as follows:

Amend printed copy of **HR 6,** on page 2, line 21, by deleting the words "Human Resources" and inserting in lieu thereof the words "Natural Resources and Environmental Protection"; and

On page 3, line 1, by deleting "(DHR)" and inserting in lieu thereof "(DNREP)"; and

On page 3, line 12, by deleting "DHR" and inserting in lieu thereof "DNREP"; and

On page 3, line 16, by deleting "DHR" and inserting in lieu thereof "Department for Human Resources."

The Committee on Appropriations and Revenue reported **HB 549,** with Committee Amendments and Committee Substitute attached thereto, **HB 649, HB 653, HB 659, HB 816, HR 52,** and **HR 69** with the expression of opinion that the same should pass. Read at length for the first time and ordered place in the Calendar.

HB 549, AN ACT relating to the levy and assessment of property taxes on unmined minerals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Department" means the department of revenue.

(2) "Taxpayer" means any person, *corporation, company, partnership, association, or other legal entity* made liable by law to file a return or pay a tax.

(3) "Real property" includes all lands, *unmined minerals, oil, natural gas, and natural gas liquids* within this state and improvements thereon.

(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference in the total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and the total valuation of property subject to taxation by the county, city, school district or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided;

(i) The value of all unmined minerals appearing on the tax rolls on or before December 31, 1985, shall be considered "real property additions" for each year such value appears on the tax rolls prior to that date. Beginning January 1, 1986, "real property additions" shall include the value of all unmined minerals added to the tax rolls on or after that date for the year in which such value is added to the tax rolls.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten contiguous acres in area used for the production of livestock, livestock

products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
10 to 30	$1,000+	$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	$2,200+	$40.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$3,400+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$4,400+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$5,900+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
5 to 30	$1,000 minimum, or	$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.
30 to 60	$3,000+	$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$4,500+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$5,500+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$7,000+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;

(b) Degree of productivity of the soil;

(c) Risk of flooding;

(d) Improvements to and on the land that relate to the production of income;

(e) Row crop capability including allotted crops;

(f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) For purposes of this chapter, "unmined minerals" means all forms of minerals which have not yet been mined or removed from the earth including, but not limited to, coal, rock, stone, limestone, shale, gravel, sand, clay, fluorspar, and zinc but excluding oil, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

Section 2. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen cents (15¢) upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, one-tenth of one cent ($.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, and forty-five cents (45¢) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1 ½¢) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) *On or after January 1, 1983, for each interest in unmined minerals, in whatever form held, including but not limited to leasehold interests, the assessed value of each of the first one hundred (100)*

acres of unmined minerals within each assessing county shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars ($100) of assessed value; and the value of the excess, if any, over one hundred (100) acres shall be taxed at the same rate applicable to other real property. Any taxable interest in oil, natural gas, or natural gas liquids shall be taxed at the same rate as other real property. For purposes of this subsection, any jointly held interest in unmined minerals, whether divided or undivided, shall be a single interest in unmined minerals for taxation purposes. The owner or joint owners of such interest in unmined minerals shall be liable for the payment of any tax due under this subsection. Transfers of any interest in unmined minerals which have the effect of avoiding the provisions of this subsection without any other legitimate business purpose, will subject the transferor and transferee to the penalty provisions of KRS 132.570 and KRS 132.990, and a lien may be taken against the property for the payment of the tax, in which case the tax rates of this subsection will apply the same as if the transfer had not occurred [~~Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value~~].

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31 ½¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been certified, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

(9) In the event that the tax rate set by the department as provided in subsection (8) of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

(10) An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calendar Year	Rate per \$100 of Assessed Value
1982	\$ .225
1983	\$ .1125
1984 and after	\$ .001

Section 3. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowls;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by

the United States government or any agency thereof), and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (1 ½¢) on each $100 of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4 ½¢) on each $100 of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) [~~On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests;~~

~~(12)~~] On and after January 1, *1983* [~~1977~~], the assessed value of *all interests in* unmined *minerals, as defined in KRS 132.010* [~~coal~~] shall be included in the formula contained in KRS 132.590(2) in determining the amount of county appropriation to the office of the property valuation administrator.

Section 4. KRS 132.230 is amended to read as follows:

(1) Every person listing his property with the property valuation administrator shall state:

(a) Each separate tract of land, *any interest in unmined minerals, oil, natural gas or natural gas liquids* with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located, giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination and fair cash value of all bonds subject to taxation owned by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

(2) An error or informality in the description or location of the property, or in the name of the owner or person assessed, shall not invalidate the assessment if the property can with reasonable certainty be located or identified from the description given, in which case the collector may receive the taxes and by his receipt correct the error or informality.

Section 5. KRS 132.330 is amended to read as follows:

The field agents, accountants and attorneys of the department of revenue shall cause to be listed for taxation all property omitted by the property valuation administrators, board of supervisors, department or any other assessing authority, for any year omitted. The agent, accountant or attorney proposing to have the property assessed shall file in the office of the county clerk of the county in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The county clerk shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney or person in possession of the property. If the property is real property, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the property; *in the case of unmined minerals, where the owner of the interest in the unmined minerals owns no interest in the surface, an action for assessment shall be instituted by filing a petition and procuring constructive service against the owner under the provisions of rule 4.05, 4.06, 4.07, and 4.08 of the Rules of Civil Procedure;* if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible and intangible personal property, where the owner and his place of residence are unknown and no one (1) has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07 and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of the property omitted from assessment may be procured from the district court against the owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the department of revenue making an affidavit that the property described in the petition is subject to state, county, school or other taxing district tax, and is unassessed for any taxable year.

SECTION 6. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Every corporation, company, association, partnership or person owning or engaged in the business of extracting metalliferous or non-metalliferous ore or owning or engaged in the production of unmined minerals or engaged in the extraction or leasing for extraction of oil, natural gas, or natural gas liquids shall, as of January 1 each year, and by February 1, make and deliver a report to the property valuation administrator, verified by the person or officer required to file the same, on such form as the department of revenue may prescribe, showing the following facts:

(a) The name, description and location of the interest in unmined minerals, oil, natural gas, or natural gas liquids, and any mine, lease, well or preparation plant, including tipples, owned or operated by him during the preceding calendar year;

(b) The number of tons of ore, or hydrocarbon substance, the number of cubic feet of gas or the number of barrels of oil produced or extracted during the preceding calendar year;

(c) The type(s) or grade(s) of ore or other hydrocarbon substance held by the person, partnership, company or corporation and the extent of such holdings;

(d) Such other reasonable and necessary information as may be required by the department of revenue.

(2) The property valuation administrator shall, by February 15 each year, deliver to the department of revenue all such information as is supplied under subsection (1) of this section, and the department shall then annually determine the fair cash value of all unmined mineral properties required to be reported by subsection (1) of this section in the same manner and according to the same standards as if the property was valued by the property valuation administrator in the county where the property has a taxable situs. Primary emphasis shall be given to the most current estimates of the Kentucky Geological Survey and the Institute for Mining and Minerals Research (IMMR) as to quantity and quality of the unmined minerals. Taxpayers' maps and records shall also be utilized by the department if available. Other factors which shall be considered by the department include, but are not limited to:

(a) Sales of other tracts of similar unmined minerals;

(b) The current market price for the mineral, if extracted;

(c) The availability of transportation and preparation facilities for the mineral, if extracted;

(d) BTU content, sulphur and ash content of the unmined minerals.

(3) When the valuation has been finally determined, the department shall certify the valuation to the property valuation administrator who shall place the valuation upon the county assessment rolls and give notice to the taxpayer as provided in KRS 132.450.

(4) The taxpayer shall have the right of appeal of any assessment made under this section in the manner provided in KRS 133.120.

(5) All tangible property, including tipples and preparation facilities, of any taxpayer assessed under this section shall be valued and assessed by the property valuation administrator of the county in which such property has a taxable situs.

SECTION 7. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any statutory provisions to the contrary, any tract of unmined minerals is presumed to be of no value for property tax assessment purposes if any of the following factors exist with relation to that tract:

(a) 1. The tract of surface above the tract of unmined minerals is owned by the owner of the tract of unmined minerals; and

2. The tract of surface is being used for agricultural or horticultural purposes as defined by KRS 132.010, or for residential or commercial purposes, or for other uses inconsistent with the extraction of unmined minerals; and

3. The owner has not leased any portion of the tract of unmined minerals for extraction, has not actively undertaken to extract the unmined minerals from any portion of the tract, and is not in the business of extracting unmined minerals or leasing unmined minerals for extraction.

(b) The tract of unmined minerals has been depleted due to mining, drilling, construction or other activities.

(c) The tract of unmined minerals is not capable of extraction by any method in common usage in the industry due to geologic or economic reasons.

(d) The supposed tract of unmined minerals is actually barren.

(e) The extraction of unmined minerals from the tract is prohibited by law.

The burden shall be on the taxpayer to prove qualification under this section by clear and convincing evidence.

(2) If the taxpayer offers the results of any core drilling as evidence to prove qualification under this section, such results must be verified by a geophysical gamma-ray density log test performed at the expense of the taxpayer by the department, or a qualified engineer appointed by the department, and such results, if so verified, will be used as evidence of value of the unmined minerals for the area bounded by a one-quarter (¼) mile radius of the core drilling.

(3) If any tract of unmined minerals which qualifies under this section, and is assessed at no value under this section, is leased for extraction or is prepared for extraction, or any well is drilled for the extraction of oil, natural gas or natural gas liquids, or the use of the surface changes from agricultural or horticultural or residential or commercial use, where the qualification was under subsection (1) of this section, then that tract of unmined minerals or oil, natural gas or natural gas liquids shall be subject to deferred taxes based on the current fair cash value of the tract for the current tax year and the immediately preceding two (2) tax years, but shall not be subject to any deferred tax for any year prior to the effective date of enactment of this subsection.

Section 8. KRS 133.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the county board of assessment appeals.

(2) "Department" means the department of revenue.

(3) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(4) "Real property" includes all lands, *and unmined minerals, oil, natural gas, and natural gas liquids* within this state and improvements thereon.

(5) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

Committee Substitute to **HB 549** is as follows:

HB 549, AN ACT relating to the levy and assessment of property taxes on unmined minerals.

WHEREAS, the legislature finds that it is the public policy of this Commonwealth to promote fairness and equity in the distribution of property taxes; and

WHEREAS, the legislature finds that this public policy is not being served by the present statutes relating to the taxation of unmined minerals; and

WHEREAS, the legislature finds that this public policy can be served best by the enactment of a comprehensive act designed to tax unmined minerals at the same rate as all other real property; and

WHEREAS, the legislature finds that this public policy can be served best by systematic statewide assessment of unmined minerals; and

WHEREAS, the legislature finds that the Department of Revenue cannot effectively carry out this assessment without a sufficient appropriation; and

WHEREAS, the legislature finds that it is the public policy of this Commonwealth to encourage the ownership of unmined minerals by the surface owner of the property; and

WHEREAS, the legislature finds that it is the public policy of this Commonwealth to encourage agricultural and horticultural use of land; and

WHEREAS, the legislature finds that it is the public policy of this Commonwealth to preserve ownership of small tracts of unmined minerals; and

WHEREAS, the legislature finds that small tracts of unmined minerals are much less likely to be economically feasible to mine than larger tracts of unmined minerals;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Department" means the department of revenue.

(2) "Taxpayer" means any person, *corporation, company, partnership, association, or other legal entity* made liable by law to file a return or pay a tax.

(3) "Real property" includes all lands, *unmined minerals, oil, natural gas, and natural gas liquids* within this state and improvements thereon.

(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference in the total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and the total valuation of property subject to taxation by the county, city, school district or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided;

(i) The value of all unmined minerals appearing on the tax rolls on or before December 31, 1986, shall be considered "real property additions" for each year such value appears on the tax rolls prior to that date. Beginning January 1, 1987, "real property additions" shall include the value of all unmined minerals added to the tax rolls on or after that date for the year in which such value is added to the tax rolls.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
10 to 30	$1,000+	$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	$2,200+	$40.00 per acre, or a fraction thereof, over 30 acres.

Acres	Annual Gross Income +	Income Per Acre
60 to 100	$3,400+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$4,400+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$5,900+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
5 to 30	$1,000 minimum, or	$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.
30 to 60	$3,000+	$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$4,500+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$5,500+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$7,000+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;
(b) Degree of productivity of the soil;
(c) Risk of flooding;
(d) Improvements to and on the land that relate to the production of income;
(e) Row crop capability including allotted crops;
(f) Accessibility to all-weather roads and markets; and
(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) "Unmined minerals" means all forms of minerals which have not yet been mined or removed from the earth including, but not limited to, coal, rock, stone, limestone, shale, gravel, sand, clay, fluorspar, and zinc but excluding oil, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

(17) "Non-extractible unmined mineral interest" means any fee simple interest in unmined minerals of less than one hundred (100) contiguous acres owned by a taxpayer not engaged in the business of extracting or leasing for extraction unmined minerals. "Extractible unmined mineral interest" means all other interests in unmined minerals, including but not limited to fee simple and leasehold interests. Any taxpayer who along or in conjunction with any other person or entity operates a company, corporation, partnership, association or other legal entity that extracts unmined minerals or leases unmined minerals for extraction shall be deemed to be a taxpayer in the business of extracting or leasing for extraction unmined minerals.

Section 2. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen cents (15¢) upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, one-tenth of one cent ($.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, and forty-five cents (45¢) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1 ½¢) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) On or after January 1, 1982, non-extractible unmined mineral interests, as defined in KRS 132.010, shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars ($100) of assessed value; and extractible unmined mineral interests, as defined in KRS 132.010, shall be taxed at the state ad valorem tax rate applicable to other real property. Any taxable interest in oil, natural gas, or natural gas liquids shall be taxed at the state ad valorem tax rate applicable to other real property. For purposes of this subsection, any jointly held interest in unmined minerals, whether divided or undivided,

and any jointly held non-extractible unmined mineral interest or jointly held extractible unmined mineral interest, whether divided or undivided, shall be a single interest for taxation purposes. The owner or joint owners of such interests shall be liable for the payment of any tax due under this subsection. Transfers of any interest in extractible unmined mineral interests which have the effect of avoiding any tax imposed by the provisions of this subsection without any other legitimate business purpose, will subject the taxpayer to the penalty provisions of KRS 132.570 and KRS 132.990, in which case the tax rate applicable to extractible unmined mineral interests will apply the same as if the transfer had not occurred. If necessary, a lien may be taken against the property for payment of any tax due under this subsection [~~Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value~~].

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31 ½¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property, *exclusive of the increase caused by the assessment of unmined minerals, as defined by KRS 132.010, prior to January 1, 1987,* to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July 1 each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the department shall, when real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been certified, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

(9) In the event that the tax rate set by the department as provided in subsection (8) of this section produces more than a four percent (4%) increase in real property tax revenues, *exclusive of revenues produced prior to January 1, 1987 by application of the rate to unmined minerals as provided by subsection (5) of this section,* the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

(10) An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calendar Year	Rate per $100 of Assessed Value
1982	$ .225
1983	$ .1125
1984 and after	$ .001

Section 3. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowls;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof), and except that cities and counties may each impose

an ad valorem tax of not exceeding one and one-half cents (1 ½¢) on each $100 of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4 ½¢) on each $100 of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) *On and after January 1, 1982, non-extractible unmined mineral interests, as defined in KRS 132.010* [~~On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests~~];

(12) On and after January 1, *1982* [~~1977~~], the assessed value of *all interests in* unmined *minerals, as defined in KRS 132.010* [~~coal~~] shall be included in the formula contained in KRS 132.590(2) in determining the amount of county appropriation to the office of the property valuation administrator.

Section 4. KRS 132.230 is amended to read as follows:

(1) Every person listing his property with the property valuation administrator shall state:

(a) Each separate tract of land, *any interest in unmined minerals, oil, natural gas or natural gas liquids* with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located, giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination and fair cash value of all bonds subject to taxation owned by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

(2) An error or informality in the description or location of the property, or in the name of the owner or person assessed, shall not invalidate the assessment if the property can with reasonable certainty be located or identified from the description given, in which case the collector may receive the taxes and by his receipt correct the error or informality.

Section 5. KRS 132.330 is amended to read as follows:

The field agents, accountants and attorneys of the department of revenue shall cause to be listed for taxation all property omitted by the property valuation administrators, board of supervisors, department or any other assessing authority, for any year omitted. The agent, accountant or attorney proposing to have the property assessed shall file in the office of the county clerk of the county in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The county clerk shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney or person in possession of the property. If the property is real property, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the property; *in the case of unmined minerals, where the owner of the interest in the unmined minerals owns no interest in the surface, an action for assessment shall be instituted by filing a petition and procuring constructive service against the owner under the provisions of rule 4.05, 4.06, 4.07, and 4.08 of the Rules of Civil Procedure;* if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible and intangible personal property, where the owner and his place of residence are unknown and no one (1) has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07 and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of the property omitted from assessment may be procured from the district court against the owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the department of revenue making an affidavit that the property described in the petition is subject to state, county, school or other taxing district tax, and is unassessed for any taxable year.

SECTION 6. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Every corporation, company, association, partnership or person owning or engaged in the business of extracting metalliferous or non-metalliferous ore or owning or engaged in the production of unmined minerals or engaged in the extraction or leasing for extraction of oil, natural gas, or natural gas liquids shall, as of January 1 each year, and by February 1, make and deliver a report to the property valuation administrator, verified by the person or officer required to file the same, on such form as the department of revenue may prescribe, showing the following facts:

(a) The name, description and location of the interest in unmined minerals, oil, natural gas, or natural gas liquids, and any mine, lease, well or preparation plant, including tipples, owned or operated by him during the preceding calendar year;

(b) The number of tons of ore, or hydrocarbon substance, the number of cubic feet of gas or the number of barrels of oil produced or extracted during the preceding calendar year;

(c) The type(s) or grade(s) of ore or other hydrocarbon substance held by the person, partnership, company or corporation and the extent of such holdings;

(d) Such other reasonable and necessary information as may be required by the department of revenue.

(2) The property valuation administrator shall, by February 15 each year, deliver to the department of revenue all such information as is supplied under subsection (1) of this section, and the department shall then annually determine the fair cash value of all unmined mineral properties required to be reported by subsection (1) of this section in the same manner and according to the same standards as if the property was valued by the property valuation administrator in the county where the property has a taxable situs. Primary emphasis shall be given to the most current estimates of the Kentucky Geological Survey and the Institute for Mining and Minerals Research (IMMR) as to quantity and quality of the unmined minerals. Taxpayers' maps and records shall also be utilized by the department if available. Other factors which shall be considered by the department include, but are not limited to:

(a) Sales of other tracts of similar unmined minerals;

(b) The current market price for the mineral, if extracted;

(c) The availability of transportation and preparation facilities for the mineral, if extracted;

(d) BTU content, sulphur and ash content of the unmined minerals;

(e) The degree to which the unmined minerals and adjacent mineral properties are under production, or can be put into immediate production.

(3) When the valuation has been finally determined, the department shall certify the valuation to the property valuation administrator who shall place the valuation upon the county assessment rolls and give notice to the taxpayer as provided in KRS 132.450.

(4) The taxpayer shall have the right of appeal of any assessment made under this section in the manner provided in KRS 133.120.

(5) All tangible property, including tipples and preparation facilities, of any taxpayer assessed under this section shall be valued and assessed by the property valuation administrator of the county in which such property has a taxable situs.

SECTION 7. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any statutory provisions to the contrary, any fee simple interest in unmined minerals is presumed to be of no value for property tax assessment purposes if any of the following factors exist with relation to that interest:

(a) 1. The surface above the unmined minerals is owned in fee simple by the owner of the unmined minerals; and

2. The surface is being used for agricultural or horticultural purposes as defined by KRS 132.010, or for residential or commercial purposes, or for other uses inconsistent with the extraction of unmined minerals; and

3. The owner has not leased any portion of the unmined minerals for extraction within five (5) years of the date of assessment, and no portion is under lease on the date of assessment, the owner has not undertaken to extract any portion of the unmined minerals, and the owner is not in the business of extracting unmined minerals or leasing unmined minerals for extraction.

(b) The tract of unmined minerals has been depleted due to mining, drilling, construction or other activities.

(c) The tract of unmined minerals is not capable of extraction by any method in common usage in the industry due to geologic or economic reasons.

(d) The supposed tract of unmined minerals is actually barren.

(e) The extraction of unmined minerals from the tract is prohibited by law.

The burden shall be on the taxpayer to prove qualification of his interest in unmined minerals under this section by clear and convincing evidence.

(2) If the taxpayer offers the results of any core drilling as evidence to prove qualification under this section, such results must be verified by a geophysical gamma-ray density log test performed at the expense of the taxpayer by the department, or a qualified engineer appointed by the department, and such results, if so verified, will be used as evidence of value of the unmined minerals for the area bounded by a one-quarter (¼) mile radius of the core drilling.

(3) If any tract of unmined minerals which qualifies under this section, and is assessed at no value under this section, is leased for extraction or is prepared for extraction, or any well is drilled for the extraction of oil, natural gas or natural gas liquids, or the use of the surface changes from agricultural or horticultural or residential or commercial use, where the qualification was under subsection (1) of this section, then that tract of unmined minerals or oil, natural gas or natural gas liquids shall be subject to deferred taxes based on the current fair cash value of the tract for the current tax year and the immediately preceding two (2) tax years, but shall not be subject to any deferred tax for any year prior to the effective date of enactment of this subsection.

Section 8. KRS 133.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the county board of assessment appeals.

(2) "Department" means the department of revenue.

(3) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(4) "Real property" includes all lands, *unmined minerals as defined in KRS 132.010, oil, natural gas, and natural gas liquids* within this state and improvements thereon.

(5) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

SECTION 9. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Revenue produced pursuant to KRS 132.020(5) shall be distributed as follows:

(a) For the fiscal year beginning July 1, 1982, the lesser of the sum of five hundred thousand dollars ($500,000) or the total revenue produced pursuant to KRS 132.020(5) shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for use by the department of revenue for the purpose of assessing unmined minerals. Any revenue produced in excess of this amount shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

(b) For the fiscal year beginning July 1, 1983, the lesser of the sum of six hundred thousand dollars ($600,000) or the total revenue produced pursuant to KRS 132.020(5) shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for the purposes outlined in paragraph (a) of this subsection, and the balance, if any, shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

(2) In subsequent years, revenue produced pursuant to KRS 132.020(5) which is adequate to carry out the purposes outlined in paragraph (1)(a) of this section shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for use by the department of revenue, and the balance, if any, shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

SECTION 10. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 1983, and each January 1 thereafter, the county clerk shall provide a list of all transfers of unmined minerals for the prior year to the property valuation administrator for use in preparing assessments, and the property valuation administrator shall provide such list to the department of revenue by February 1 each year.

Section 11. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 12. Whereas it is imperative that all property be assessed as of January 1, 1982, an emergency is declared to exist and the provisions of this Act shall be effective on January 1, 1982.

Committee Amendment No. 1 to Committee Substitute to **HB 549** is as follows:

Amend printed copy of Committee Substitute to **HB 549,** on page 24, by deleting lines 10-26 in their entirety, and

On page 25, lines 1-11, by deleting lines 1-11 in their entirety, and by inserting in lieu of the deleted language on pages 24 and 25, the following:

(2) The property valuation administrator shall, by February 15 each year, deliver to the department of revenue all such information as is supplied under subsection (1) of this section, and the department shall then annually determine the fair cash value of all unmined mineral properties required to be reported by subsection (1) of this section and in so doing shall utilize all public records and reports compiled by any state or federal agency or any private entity which contain any relevant information or reasonable estimates of the quantity and quality of the unmined minerals. Taxpayers' maps and records shall also be utilized by the department if available. Other factors which shall be considered by the department include, but are not limited to:

(a) Sales of other tracts of similar unmined minerals;

(b) The current market price for the mineral, if extracted;

(c) The availability of transportation and preparation facilities for the mineral, if extracted;

(d) BTU content, sulphur and ash content of tested samples of the unmined minerals, if available;

(e) The degree to which the unmined minerals and adjacent mineral properties are under production, or can be put into immediate productin;

(f) The existence of any lease for the unmined minerals, including any royalty provisions contained therein.

Committee Title Amendment to Committee Substitute to **HB 549** is as follows:

Amend printed copy of Committee Substitute to **HB 549,** Title, by adding the phrase "and declaring an emergency" after the word "minerals".

HB 649, AN ACT relating to budget and financial administration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 48 IS HEREBY ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) "Account" is a technical accounting term meaning a formal record in which related transactions and events, (i.e., expenditures, receipts, encumbrances, and interaccount charges or credits) which occur during a specific period of time, are summarized and accumulated.

(2) "Appropriation" means an authorization by the general assembly to expend, from public funds, a sum of money not in excess of the sum specified, for the purposes specified in the authorization and under the procedure prescribed in this chapter.

(3) "Appropriation act" means any act of the general assembly that authorizes the expenditure of public funds, other than a joint budget resolution provided for by this chapter.

(4) "Budget" means the complete financial plan for each fiscal year contained in a joint budget resolution provided for by this chapter.

(5) "Branch budget recommendation" means the recommendations to the general assembly of the governor for the executive branch, the chief justice for the judical branch and the legislative research commission for the legislative branch, accompanied by an estimate of the receipts and expenditures for each branch and accompanying explanations provided for by this chapter for the next two (2) fiscal years.

(6) "Budget unit request" means a detailed statement of the financial requirements of a budget unit by principal budget class, and an estimate of its receipts and expenditures for the next two (2) fiscal years, with the accompanying explanations provided for by this chapter.

(7) "Budget unit" means any subdivision of any branch of government, however designated, for which an appropriation is requested.

(8) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, equipment or other permanent properties, or in their construction, development or permanent improvement.

(9) "Expenditure" means cash actually paid out or an exchange of value for any purpose.

(10) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources or both together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities in accordance with legal restrictions or other limitations.

(11) "Major fund group" means the following funds or fund groups:

(a) "General fund." This fund shall consist of all moneys, not otherwise restricted, available for the general operations of state government.

(b) "Bond debt related fund group." This group of funds shall consist of all outstanding bonded debt liability and related funds of state governments, including all revenue bonds issued by or approved by the state property and buildings commission. Accounts necessary to assure integrity of trust indentures shall be maintained. Funds appropriated for debt service shall be allotted to these accounts and any excess of appropriation over net requirements for principal, interest and reserves for any issue shall lapse to the surplus account of the general fund if general funds are a part of the appropriation for that budget unit.

(c) "Capital construction fund." This fund shall consist of moneys appropriated for capital construction projects, except road construction projects, for all budget units of state government.

(d) "Federal fund group." This fund group shall include all receipts from the federal government for any purpose.

(e) "Restricted fund group." This fund group shall consist of budget unit receipts restricted as to purpose by statute.

(f) "Road fund group." This fund group shall consist of money derived from excise or license taxation relating to gasoline and other motor fuels, and moneys derived from fees, excise or license taxation relating to registration, operation or use of vehicles for use on public highways. A separate record of each source of receipt within this fund group shall be maintained.

(12) "Principal budget class" includes the following:

(a) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, or other permanent properties, or in their construction, development or permanent improvement estimated to cost less than two hundred thousand dollars ($200,000), and items of equipment or other capital items estimated to cost less than fifty thousand dollars ($50,000).

(b) "Debt service" means the amount of money required to pay the interest, principle and required contributions to accumulate moneys for future retirement of lawfully incurred debt.

(c) "Grants, loans or benefits" means expenditures for any grant, aid, loan or relief payment to individuals, organizations or jurisdictions not otherwise classified pursuant to this chapter.

(d) "Operating expenses" means expenditures directly attributable to the operation of state government not otherwise classified pursuant to this chapter.

(e) "Personnel costs" means the salaries, wages, benefits (including but not limited to, employer share of FICA, retirement contributions, insurance, unemployment insurance, workers' conpensation), and increments of all officers and employes, and payment to persons awarded personal service contracts.

(13) "Receipts" means values accruing as a result of taxation or revenues, or both, and with or without a resultant increase in liabilities or decrease in assets, whether such values are represented by cash actually received, or by amounts due and receivable, or partly by each, or a result of an exchange of values.

SECTION 2. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch of government shall have in continuous process of preparation and revision, in the light of its direct studies of the operations, plans and needs of its budget units and of the existing and prospective sources of income, a branch budget recommendation for the next two (2) fiscal years for which a budget recommendation is required to be prepared. Upon receipt of the estimates from its budget units, each branch of government shall check these estimates in the light of its own information, and shall make such further inquiries and investigations and revise its branch budget recommendation as it deems warranted. The branch budget recommendation when approved shall be certified together with the budget statements provided for in Section 8 of this Act and submitted as provided for in Section 7 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch of government, during the preparation of its budget recommendation and before its submission to the general assembly, shall examine its statements and estimates and shall make or cause to be made such further investigations with such hearings as deemed advisable, and shall direct such changes or revisions as warranted.

SECTION 4. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) On or before July 1 of each odd-numbered year, representatives designated by the governor, the chief justice and the legislative research commission for their respective branches shall prescribe uniform forms to be used by all budget units in submitting their budget estimates, requests and recommendations, and shall recommend to the legislative research commission such rules and regulations deemed necessary for the preparation of such budget estimates, requests and recommendations.

(2) On or before September 1 of each odd-numbered year, the department of finance shall supply each branch of government with at least three (3) complete sets of the prescribed uniform forms and instructions for the preparation of estimates and statements, and one (1) copy of the complete statement of the expenditures of each budget unit of the branch to aid each branch of government in preparing its estimates and statements.

(3) Upon request, the department of finance shall provide such additional assistance to each branch of government as may be required.

SECTION 5. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

The head of each budget unit shall submit its budget unit request to the department of finance, in the case of the executive branch, to the chief justice, in the case of the judicial branch, to the director of the legislative research commission, in the case of the legislative branch; and to the legislative research commission, not later than October 15 of each odd numbered year.

SECTION 6. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The governor-elect shall receive all budget unit requests and supporting documentation for the executive branch no later than November 10, of the year of his election. He and those persons named by him shall be entitled to participate in the budget making process for the executive branch.

(2) Any statewide constitutional officers-elect shall, upon request, receive all budget requests and supporting documentation relating to their offices.

SECTION 7. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) A branch budget recommendation shall be submitted to the general assembly by the governor for the executive branch, the chief justice for the judicial branch and the legislative research commission for the legislative branch. The budget recommendations shall be submitted to the general assembly on or before the tenth (10th) legislative day of each regular session, except in the year following the election of the governor when the budget recommendations shall be submitted not later than the fifteenth (15th) legislative day of a regular session.

(2) Budget recommendations shall be submitted on the first (1st) day of any extraordinary session called for the purpose of amending a joint budget resolution.

SECTION 8. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch budget recommendation shall contain a complete financial plan for the branch of government for each of the next two (2) fiscal years. Each branch budget recommendation shall include:

(1) A budget message signed by the governor, the chief justice or the co-chairmen of the legislative research commission for their respective branches of government.

(2) Statements of income and receipts for each of the two (2) fiscal years last concluded, and the estimated income and receipts, for each budget unit of the branch of government, of the current fiscal year and of each of the next two (2) fiscal years. The statements of income and estimated income shall be itemized by sources, by budget units and sources, and by funds and sources. The statements of receipts and estimated receipts shall be itemized by budget units and sources, and by funds and sources, and shall show separately receipts from current income, receipts from refunds and reimbursements of expenditures, receipts from sale of assets, and receipts on account of the income of prior years, all detailed by sources. Existing sources of income and receipts shall be analyzed as to their equity, productivity and need for revision, and any proposed new sources of income or receipts shall be explained.

(3) Summary statements of expenditures of the branch of government for each of the two (2) fiscal years last concluded, itemized by budget units, and showing the amounts expended for each budget unit.

(4) A statement of the surplus in any account and in any special fund of the branch of government. If a surplus exists in any account of the branch of government the statement shall show the excess of all current assets over all current liabilities as of the beginning of each of the two (2) fiscal years last concluded, and all changes in these accounts during each of such two (2) fiscal years.

(5) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year showing, for each budget unit of the branch of government the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year.

(6) Detailed comparative statements of expenditures and requests for appropriations by funds or accounts and budget units of the branch of government, showing expenditures for each of the two (2) fiscal

years last concluded, the budget of the current year, and the requests of each budget unit and the recommendations for appropriations for each of the next two (2) fiscal years. Following the lists of actual and proposed expenditures of each budget unit there shall be a detailed explanation of the actual and proposed expenditures, to include activities, beneficiaries and expected results of the programs or services of the budget units.

(7) A summary statement for each fund or account of the branch of government of the cash resources estimated to be available at the beginning of each of the next two (2) fiscal years, and the estimated cash receipts of the fiscal year, as compared with the total recommended amounts of appropriation for all budget units for the year, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of receipts from any proposed additional revenues.

(8) A draft of the proposed joint budget resolution containing recommendations of the branch of government for appropriations for the next two (2) fiscal years, and drafts of such revenue and other acts as may be recommended for putting into effect the proposed financial plan. The recommended appropriations for ordinary recurring expenses shall be itemized by budget units, and the amount of each of such recommended appropriation shall be the total of the recommended amounts for the budget units. Recommended appropriations for extraordinary expenses and capital outlays shall be itemized in the proposed joint budget resolution for the branch by budget unit and the title of each budget unit shall be so worded as to limit each appropriation to the specific use or purpose intended. The recommended appropriation for each budget unit shall be specified in a distinct and separate section of the proposed joint budget resolution for the branch. The total amount of appropriations recommended from any fund shall not exceed the cash resources estimated to be available and to become available to meet expenditures under such appropriations.

(9) A certificate of the branch of government as to the accuracy of the statements of financial condition, of income and receipts, and of expenditures.

(10) Such other information as is deemed desirable, or is required by law or regulation.

SECTION 9. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the information required by Section 8 of this Act, the governor shall submit the following information as a separate part of the branch budget request for the executive branch of government:

(1) Summary statements of the financial condition of the Commonwealth, accompanied by such detailed schedules of assets and liabilities as the governor deems desirable or is required by law or regulation, and to include:

(a) A comparative consolidated current account balance sheet showing all the current assets and liabilities of the Commonwealth and the current surplus or deficit of the Commonwealth as the case may be, at the close of each of the two (2) fiscal years last concluded;

(b) Summary statements of fund balances showing in detail for each major fund group the current account surplus or deficit at the beginning of each of the two (2) fiscal years last concluded, the actual income of that year, the total net appropriation of that year and the total expenditures of that year;

(c) Similar summary statements of the estimated fund balances for each major fund group for the current fiscal year and for each of the next two (2) fiscal years.

(2) A statement of the surplus accounts of the general and road funds and of each special fund. Each surplus account shall show the excess of all current assets over all current liabilities as of the beginning of each of the two (2) fiscal years last concluded, and all changes in each surplus account during each of such two (2) fiscal years.

(3) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year, showing for the Commonwealth the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the close of the last completed fiscal year and the estimated floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year.

(4) A summary statement for each major fund group, by fund, of the cash resources estimated to be available at the beginning of each of the next two (2) fiscal years, and the estimated cash receipts of the fiscal year.

(5) Such other information as is deemed desirable or is required by law or regulation.

SECTION 10. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the information required by Section 8 of this Act, the governor shall include as a separate part of the branch budget request for the executive branch of government, the recommended program for capital construction and major items of equipment as provided by KRS 45.760.

SECTION 11. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The provisions of any other law notwithstanding, the governor shall include in the budget recommendation for the executive branch and in the draft joint budget resolution for the executive branch submitted to each regular session of the general assembly for the biennium period beginning July 1, 1980, and for each biennium thereafter, recommendations for appropriations from the general fund to be made by the general assembly to the area development fund established by KRS Chapter 42.

(2) The amount to be recommended for the appropriation to the area development fund shall be four and four-tenths percent (4.4%) of the severance tax estimate for each fiscal year of the biennium.

SECTION 12. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The branch budget recommendations submitted by the governor, the chief justice and the legislative research commission shall include a plan for reducing the respective budget recommendations when tax receipts accruing to the general fund or road fund are not expected to meet the expenditures provided for in the sum of the branch budget recommendations for those funds. This plan shall be designed to provide for specific reductions when the deficiency is estimated to be at least five percent (5%), but no more than ten percent (10%).

(2) In recommending budget reductions, the governor, the chief justice, and the legislative research commission shall not recommend universal percentage reductions but shall weigh the needs of constitutional officers and shall strive to protect the highest possible level of service. Services of constitutional officers which are not essential to the minimal constitutional function of their office shall be reduced. Transfer of funds may be authorized by the budget reduction provisions of a joint budget resolution and no such transfers shall be permitted unless authorized by such reduction provisions.

(3) The plan for the expenditure of reduced revenues shall be enacted as modified by the general assembly, in each joint budget resolution.

(4) In the event of an actual or projected deficit, as determined by the department of revenue, in general fund or road fund tax receipts of at least five percent (5%) but no more than ten percent (10%), the allotments to the respective branches shall be reduced according to the reduction provisions embodied in the joint budget resolution, and the governor, the chief justice, and the legislative research commission shall automatically implement budget reductions for their respective branches according to the reduction provisions embodied in the joint budget resolution.

(5) In the event of an actual or projected deficit, as determined by the department of revenue, in general fund or road fund tax receipts of less than five percent (5%), the allotments to the respective branches shall each be reduced by the percentage of the deficit, and the governor, the chief justice, and the legislative research commission, shall implement budget reductions for their respective branches on their own initiative.

(6) If general fund or road fund tax receipts increase over the estimated deficits, then services shall be restored in the reverse order of the reduced services.

(7) This section shall not preclude the general assembly, in regular or special session, from amending a joint budget resolution requiring the use of a retrenchment plan nor shall it preclude the governor from calling a special session of the general assembly at any time the retrenchment plan is in effect.

SECTION 13. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The branch budget recommendations submitted by the governor, the chief justice, and the legislative research commission shall include a plan for the expenditure of general fund or road fund tax receipts, as the case may be, in excess of five percent (5%) of the general fund or road fund tax receipts embodied in their respective budget recommendations.

(2) The joint budget resolution shall contain provisions for the expenditure of general fund and road fund tax receipts in an amount not more than five percent (5%) in excess of the amounts required to fund the appropriations embodied in the resolution. This plan shall provide for additional monies for nonrecurring expenditures for which an appropriation was not made in a joint budget resolution; or for a program or service authorized by law for which an appropriation was not made or which program was not fully funded. No expenditure shall be recommended for any other purpose.

(3) In lieu of recommending the expenditure of such sums, the governor, the chief justice, or the legislative research commission, may elect to recommend the return of such sums or any portion thereof to the surplus account of the general fund for investment until such time as it is appropriated by the general assembly.

(4) A plan for the expenditures of such surplus funds shall be enacted as modified by the general assembly, in each joint budget resolution.

(5) Any receipts received in excess of five percent (5%) of the estimated total revenue or in excess of any appropriation made in a joint budget resolution applying that revenue shall not be expended but shall accrue to the surplus account of the general fund for investment until appropriated by the general assembly.

(6) Unless required by the budget reduction provisions in a joint budget resolution no funds shall be transferred from one budget unit account to another budget unit account.

(7) Surplus funds in any account, unless a statute requires otherwise, shall lapse to the surplus account of the general fund for investment until appropriated by the general assembly.

(8) Funds in the surplus account of the general fund may be used for current expenditures as authorized by the budget reduction provisions of a joint budget resolution.

SECTION 14. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Each branch of government shall submit in its budget recommendation, as a separate portion thereof by budget unit, a request for moneys sufficient to meet unexpected contingencies or emergencies including but not limited to natural or man made disasters, civil disorders, court orders requiring or resulting in the expenditure of state funds or other related clauses.

(2) The amount shall be based on the nature, type, and frequency of named categories of events which may, from past experience, be reasonably anticipated.

(3) This portion of the budget recommendation shall detail similar incidents and the nature and amount of the expenditures for each during the ten (10) years immediately preceding.

(4) Appropriations shall not be expended for contingencies relating to capital construction projects or major items of equipment as defined by KRS 45.770.

(5) Amounts appropriated under this section shall not be expended unless appropriations made for the same or similar purposes have been exhausted.

(6) Each branch of government shall report expenditures under this section to the standing appropriations committees of the general assembly or the interim joint committee on appropriations and revenue as appropriate.

SECTION 15. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch, by budget unit, may submit in its budget request funds reasonably necessary to match anticipated federal funds which may become available during the biennium, provided, however, funds appropriated pursuant to this section shall not be expended without the prior approval of the general assembly, if in session, or the interim joint committee on appropriations and revenue, if not in session, and shall comply with Section 49 of this Act.

SECTION 16. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In the submission of a branch budget recommendation to the general assembly no branch of government shall submit any item as a "necessary government expense" or submit any item without a dollar amount affixed thereto, unless the entire proceeds of a particular trust and agency or other designated fund or account are to be assigned to specific budget units. In the event that all proceeds from a particular fund or account are to be assigned to specific budget units, an estimate of the receipts of each budget unit for each year of the biennium shall be provided together with the receipts from the previous two (2) bienniums.

SECTION 17. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the requirements set forth in this chapter, the appropriations committees of each house or the legislative research commission, as appropriate, may require additional information and may prescribe the form in which such additional information shall be submitted as a part of, or in support of, a branch budget recommendation.

SECTION 18. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch of government shall have its budget recommendations printed in such number of copies thereof as to insure that each member of the general assembly and the clerks of the house of representatives and the senate have individual copies.

SECTION 19. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

From the time of the submission of the budget recommendation of each branch of government to the house of representatives until the enactment of all joint budget resolutions, representatives of each branch of government shall be at the disposal of the general assembly and its appropriations committees and shall devote as much of their time as may be required to the work of those committees, under the direction of their respective chairmen. The department of finance shall provide such additional assistance to each branch of government as may be required.

SECTION 20. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The financial plan for each fiscal year as presented in a branch budget recommendation shall be adopted, with such modifications as are made by the general assembly, by the passage of a joint budget resolution and such revenue and other acts as are necessary for the purpose.

(2) Prior to the passage of a joint budget resolution and any other acts necessary, the appropriations committees of the general assembly shall prepare a budget memorandum. The budget memorandum shall enumerate the changes made by the appropriations committees in a branch budget recommendation, and shall explain such changes in detail sufficient to convey the intent of the appropriations committees.

SECTION 21. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) A joint budget resolution shall be considered as subordinate to the Kentucky Revised Statutes and temporary in nature. No provision of a joint budget resolution shall be effective beyond the second fiscal year from the date of its enactment. A joint budget resolution enacted at a special session of the general assembly shall not be effective past July 1, of the year in which the next regular session takes place.

(2) No joint budget resolution shall contain language which exempts the budget resolution or any appropriation or the use thereof from the operation of a statute. Any language in a joint budget resolution in violation of this section shall be null and void.

SECTION 22. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

The department of finance shall continuously monitor the financial situation of the Commonwealth. Based upon reports from budget units and its own estimates the department shall no later than the tenth day of each month or more often if necessary, report to the governor, chief justice and the legislative research commission on the financial condition of the Commonwealth and its budget units.

(1) In the event there is an actual or anticipated surplus or decrease in total estimated receipts of such magnitude as to require action under a surplus or budget reduction plan, immediate notification shall be given to all branches of government.

(2) During a period of budget reduction the reports required of the department of finance shall be made weekly no later than Tuesday of each next following week.

SECTION 23. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Subject to the provisions of this section, when the general assembly is not in session, all questions that arise as to the meaning of items in a joint budget resolution shall be decided by the department of finance, by the chief justice and by the legislative research commission for their respective branches of government.

(2) A decision made under subsection (1) of this section shall conform to the appropriate budget memorandum provided for by Section 20 of this Act.

(3) The secretary of the department of finance, the chief justice, and the legislative research commission shall transmit decisions made under subsection (1) of this section to the interim joint committee on appropriations and revenue of the legislative research commission and shall include, in detail, the reasons for such decisions.

(4) If the interim joint committee on appropriations and revenue disapproves a decision made under this section, the decision shall not be implemented unless it is:

(a) Revised to comply with the objections of the committee; or

(b) The committee is informed, in writing, in detail, within thirty (30) days of the committee's disapproval, that a determination has been made not to comply with the objections of the committee.

SECTION 24. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) In the event of an actual or projected deficit, as determined by the department of revenue, in total revenues, as specified in Section 12 of this Act, of less than five percent (5%), the governor, the chief justice, and the legislative research commission shall make such allotment reductions for the budget units of their respective branches of government as are deemed necessary, and shall take such steps to revise allotments for their respective branches as are necessary to prevent a cash deficit.

(2) Such allotment revisions shall be reported to the standing appropriations and revenue committees of each house or to the interim joint committee on appropriations and revenue, as appropriate.

SECTION 25. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

By June 1 of the preceding fiscal year, each branch of government shall submit to the department of finance a schedule of quarterly allotments of appropriations for each budget unit of the branch for the next fiscal year.

SECTION 26. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Allotments shall be made as provided by the allotment schedule except where such allotments have been rendered impracticable in the following cases:

(1) When the revenues from which an appropriation has been made as provided by a joint budget resolution are not available for expenditure at the time required, the schedule of allotments for any budget

unit within a branch of government may be revised upon the written certification of the governor, the chief justice and the legislative research commission for their respective branches of government. No revisions of the allotment schedule may provide for an allotment or allotments in excess of the amount appropriated to that budget unit in a joint budget resolution.

(2) Revisions of allotments under this section shall be reported and reviewed as provided by Section 26 of this Act.

(3) When the actual total state revenues do not permit all the allotments provided for by the schedules of allotments of all branches of government, the secretary of the department of finance shall notify all branches of government.

(4) This subsection shall not apply in the event of a projected or an actual deficit in total state revenues.

SECTION 27. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

There is hereby created in the general fund of the state treasury a surplus fund account subject to the following terms and conditions:

(1) It shall contain all funds lapsed from general fund receipts not otherwise appropriated.

(2) It shall contain all receipts from the sale of surplus property purchased with general fund tax receipts and not otherwise appropriated.

(3) It shall contain all general fund tax revenues in excess of estimates.

(4) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the general fund.

(5) Funds in the account shall be invested at interest and the interest shall also accrue to this account.

(6) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the general fund.

(7) No expenditures shall be made from this account unless appropriated by the general assembly or unless required by the budget reduction provisions of a joint budget resolution.

SECTION 28. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

There is hereby created in the road fund of the state treasury a surplus fund account subject to the following terms and conditions:

(1) It shall contain all funds lapsed from moneys originating from road fund receipts;

(2) It shall contain all receipts from the sale of surplus property purchased with road fund receipts;

(3) It shall contain all road fund receipts in excess of estimates;

(4) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the road fund;

(5) Funds in the account shall be invested at interest and the interest shall also accrue to this account;

(6) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the road fund;

(7) No expenditures shall be made from this account unless appropriated by the general assembly or unless required by budget reduction provisions of a joint budget resolution.

SECTION 29. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

The department of finance shall prepare and submit to each branch of government:

(1) Within ten (10) days after the close of each month copies of the accounts of the budget units of that branch of government with the appropriations and allotments in favor of its budget units and the balances as of the beginning and end of that month.

(2) Within ten (10) days after the close of each month, prepare and transmit to each branch of government a report embodying a summary statement of the actual financial condition of each fund of the major fund groups as of the close of the previous month, a summary statement showing the receipts and payments of each such fund for the previous month and for the current fiscal year to the close of the previous month, a summary budget statement for each such fund showing the available cash balance as of the end of the previous month, the amount of cash estimated to be realized from each source during the remaining months of the fiscal year, the total means of financing, the amount of the unallotted balances of all appropriations, the estimated amount of unliquidated commitments, and the estimated cash surplus or deficit.

(3) Within ninety (90) days of the close of a fiscal year, file with each branch of government a complete report of the financial transactions of the preceding fiscal year and of the financial condition of the Commonwealth as of the end of that fiscal year, with such comments and supplementary data necessary to make the report complete and easy to understand.

(4) Each branch of government shall publish a financial and program report, annually, detailing for that period, appropriations, allotments, expenditures, encumbrances and available balances of each budget unit of the branch, and an explanation of the programs and services provided by the branch.

SECTION 30. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall have and exercise all administrative functions of the Commonwealth, except as otherwise provided by law, in relation to:

(a) Developing financial policies and plans for consideration by the governor as the basis for his budget recommendations to the general assembly, and preparing the detailed documents in accordance with the financial plans of the governor for presentation to the general assembly.

(b) Coordinating and supervising the fiscal affairs and fiscal procedures of the Commonwealth to insure the carrying out of the definite financial policies and plans approved by the general assembly.

(c) Accounting, including budgetary accounting and accounting control.

(d) Fiscal reporting.

(e) Supervision of preauditing of expenditures and current auditing of receipts and receivables.

(f) Supervision of purchasing and storekeeping and control of property and stores.

(g) Supervision of all receivables of the Commonwealth.

(h) Maintaining and operating public buildings, except those provided for the exclusive use of any one (1) agency.

(i) Auditing the accounts of the treasurer and the auditor of public accounts, as contemplated by section 53 of the Constitution.

(j) Coordination and supervision of data processing, computers, and government information systems.

(2) The department of finance shall be primarily responsible for maintaining management control over the activities of the several budget units of the executive branch. To perform this function, the department of finance shall:

(a) Keep in continuous touch with the operations, plans and needs of the budget units, and with the sources and amounts of revenue and other receipts of the Commonwealth.

(b) Appraise the quantity and quality of services rendered by each budget unit of the executive branch and the needs for such services and for any new services.

(c) Examine and recommend work programs and periodical allotments to the several budget units of the executive branch, and changes therein as provided by Section 29 of this Act.

(d) Develop plans for improvements and economies in organization and operation of the budget units of the executive branch, and install such plans as are approved or directed by the governor or the general assembly.

(e) Devise and prescribe the forms of operations reports to be required periodically from each budget unit of the executive branch and require such budget units to make such reports.

(f) Examine and comment on all statements and reports on the financial condition, estimated future financial condition and operation of state government and its budget units.

(g) Receive and deal with all requests for information as to financial conditions and operations of the Commonwealth.

(h) Prepare such unit costs and cost statistics as are required from time to time.

(i) Advise and assist the governor, the chief justice, the general assembly, the appropriations committees of the general assembly and the legislative research commission, upon request, in any matters relating to the functions of the department of finance.

(j) Keep a summary of the financial transactions of all budget units.

(3) The functions conferred upon the department of finance by this section shall be in lieu of similar functions formerly exercised by other state agencies.

SECTION 31. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The accounting system prescribed and installed by the department of finance shall include the following fund structure:

(a) General fund group. This fund shall consist of all moneys, not otherwise restricted, available for general operations of state government.

(b) Bond debt related fund group. This group of funds shall consist of all outstanding bonded debt liability and related funds of state government, including all revenue bonds issued by or approved by the state property and buildings commission. Accounts necessary to assure integrity of trust indentures shall be maintained. Funds appropriated for debt service shall be allotted to these accounts and any excess of appropriation over net requirements for principal, interest and reserves for any issue shall lapse to the surplus account of the general fund if general funds are a part of the appropriation for that budget unit.

(c) Capital construction fund. This fund shall consist of moneys allotted for capital construction projects, except road construction projects, for all budget units.

(d) Federal fund. This fund shall include any money received from the federal government for any purpose.

(e) Restricted fund group. This fund group shall consist of budget unit receipts restricted as to purpose by statute.

(f) Road fund group. This fund group shall consist of money derived from excise or license taxation relating to gasoline and other motor fuels, and moneys derived from fees, excise or license taxation relating to registration, operation or use of vehicles for use on public highways. A separate record of each source of receipt within this fund group shall be maintained.

SECTION 32. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall prescribe and install a unified and integrated system of accounts for the Commonwealth which shall comply with generally accepted accounting principles, conform to and be compatible with the joint budget resolutions, and which shall be in addition to other accounts required by this chapter and which shall include:

(a) A set of budgetary control accounts for each fund, comprising an account with the available cash of the fund, an account with the budget estimate of the amount of money to be derived from each source of revenue and nonrevenue receipts, an account with the total of the unallotted balances of appropriations, an account with the total of the free balances of allotments, an account with the total commitments under allotments, and an account with the estimated cash surplus or deficit, so as to show at all times the status of the budget fund.

(b) A subsidiary appropriation ledger for each fund for which appropriations are made, embracing an account with each appropriation, and designed to show the budget unit to which the appropriation was made, the purpose of the appropriation, the amount appropriated, the additions to the appropriation, the allotments from the appropriation, the unallotted balance of the appropriation, the commitments charged to allotments, and the free balances of the total amount allotted.

(c) A set of general controlling proprietary and operating accounts for each fund, so as to record the transactions to the fund in summary form and to show the actual current assets, prepaid expenses, current liabilities, deferred credits to income, reserves, actual income, actual expenditures, and the current surplus or deficit.

(d) A uniform classification of the sources of revenue and nonrevenue receipts, which shall be observed by all budget units in preparing pay-in vouchers and reporting on revenues and receipts.

(e) Standard classifications of the expenditures of the budget units, by the activities upon which the units are engaged.

(f) A standard classification of the budget units and their principal functions.

(g) Such other accounts, records and devices as the department of finance deems necessary for the production of needed information respecting financial condition, financial operations and costs.

(2) The accounts provided for in paragraphs (a), (b) and (c) of subsection (1) of this section shall be maintained in the office of the department of finance.

(3) The department of finance shall keep controlling accounts with receipts, payments and state depositories entirely independent of those maintained by the state treasurer. The department shall obtain from the state treasurer the figures for the entries required to open such accounts, and thereafter it shall obtain the information required for the keeping of such accounts from the pay-in vouchers, lists of warrants drawn under appropriations, and vouchers requesting transfers of deposits among state depositories.

(4) The accounting system prescribed and installed by the department of finance shall provide for the settlement of transactions between budget units by making debit and credit entries on the books of the department on the basis of adequate expenditure vouchers, without the issuance of warrants.

SECTION 33. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance shall examine all blank forms used or proposed for use by any budget unit for the purposes specified in this section, and shall design or redesign them with a view to providing for the simplification, unification and integration of financial and business administrative records and procedures. The department of finance shall also prescribe, and enforce adherence to, standard sizes, colors and designs of forms, including styles of type and qualities and grades of paper. This section shall apply to all forms for use in accounting, preauditing, state treasury administration, personnel administration, purchasing, property control, and other matters of financial and business administration of the state or any budget unit thereof, with the exception of forms for use in state budgeting.

SECTION 34. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Expenditures shall be limited to the amounts and for the purposes for which appropriations are made. All expenditures shall be reflected in the unified and integrated system of accounts as provided by Section 32 of this Act.

(2) The department of finance shall prescribe all forms to be used in, or in conjunction with, the unified accounting system.

(3) The governor, the chief justice, and the legislative research commission, shall designate in writing the officer or employe authorized to sign advices of employment, copies of purchase orders and contracts, and requisitions for reservation of funds, and no such advice, order, contract or requisition shall be honored as a commitment statement unless the designation, with a copy of the signature of the officer or employe designated, is on file in the office of the department of finance.

(4) The department of finance may approve for payment any expenditure document presented by a budget unit, provided that the department of finance is able to determine that the expenditure is to satisfy a liability of the Commonwealth of Kentucky created on behalf of that budget unit in fulfilling the governmental function assigned to that budget unit and that the expenditure is being made from the unexpended balance of a proper allotment.

(5) Subsidiary records shall be maintained to report the financial operation and condition of each budget unit. These subsidiary records shall be compatible with the unified accounting system prescribed by subsection (1) of this section and by Section 34 of this Act, and may be on the accrual basis or cash basis. Expenditures may be by prior encumbrances or by straight disbursements. The subsidiary records may be maintained by the department of finance and by the budget unit involved. When a budget unit is authorized to maintain subsidiary records, the department of finance shall have authority to prescribe the accounting and preauditing procedures. The unified system of accounts shall conform to accepted management and accounting principles.

SECTION 35. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Revolving accounts may be established by appropriation in a joint budget resolution to finance activities which are self-supporting in whole or in part.

(2) Trust and agency accounts may be established by a joint budget resolution to receive and disburse contributions, gifts, donations, devises and federal appropriations, and, when authorized by law, by depositing all of the fees (which include fees for maintenance in state institutions, incidental fees, tuition fees, fees for board and room, athletics, and student activities), rentals, admittance, sales, licenses collected by law, subventions and other miscellaneous receipts of budget units.

(3) The head of the budget unit or other responsible fiscal agent of the unit for which a revolving, trust or agency account has been established shall deposit with the state treasury all receipts of the character above described, and the department of finance shall credit all such receipts to the budget unit and shall keep separate accounting for each account so established.

(4) The amounts credited to any revolving, trust or agency account so provided, shall be held available for disbursement for the purpose provided by law and shall not be diverted to any other purpose. Revolving, trust or agency accounts shall be subject to withdrawal from the state treasury by the head of each budget unit when actually needed, on requisition to the department of finance in the same manner provided by law as other state funds are withdrawn. Funds received from the federal government in the form of grants or otherwise may be expended for the purpose intended even though received in a fiscal year other than that in which the related original encumbrance or expenditure was incurred. Trust and agency funds must be allotted before an expenditure is made from the general fund, and the secretary of the department of finance shall withhold allotment of general fund appropriations to the extent trust and agency funds are available.

(5) Subject to prior approval by the secretary of the department of finance, the chief justice and the legislative research commission for their respective branches any budget unit which, as an incident to its authorized duties and functions, furnishes requested services or materials to any persons outside state government, where such services or materials are not required by law, to be furnished gratuitously, may charge such persons an amount not to exceed the total expense to the budget unit of the services or materials furnished. The receipts from such approved charges shall be credited to the surplus account of the general fund.

SECTION 36. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) No state officer or budget unit shall, after the close of any fiscal year, incur, or vote, order or approve the incurring of, any obligation or expenditure under any appropriation for that fiscal year, and no expenditure shall be made from or charged to any appropriation for any fiscal year that has expired at the time the obligation of the expenditure was incurred.

(2) The department of finance may, for a period of thirty (30) days after the close of any fiscal year, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of expenditures incurred during that year or in fulfillment of contracts properly made during that year, but for no other purpose. After the expiration of thirty (30) days from the beginning of each fiscal year, all balances of appropriations for the prior fiscal year shall lapse to the surplus account of the general

fund unless a joint budget resolution provides that the appropriation from which the expenditures shall be paid does not lapse. No further payments shall be made on any claims on account of expenditures of the prior fiscal year.

SECTION 37. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Budget units having bona fide receivables may, with the permission of the secretary of the department of finance, establish receivable accounts with a corresponding credit to an allotment account.

SECTION 38. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

No head of a budget unit or assistant designated by him shall approve any advice of employment, purchase order, contract requisition for reservation of funds or letter of travel authorization for travel outside of Kentucky that will involve an expenditure of any sum in excess of the unencumbered balance of the allotment to which the resulting expenditure will be chargeable.

SECTION 39. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Except as expressly authorized in this chapter, no person shall incur, or order or vote to incur, any obligation against the Commonwealth in excess of, or any expenditure not authorized by, appropriation of the general assembly and an allotment of funds provided by Chapter 48 of this Act. Any such obligation so incurred shall not be binding against the Commonwealth, and shall be void and incapable of ratification by any administrative authority of the Commonwealth.

SECTION 40. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS

Each budget unit shall maintain a current inventory of all supplies and equipment. Such inventory of supplies and equipment shall be available for examination by the department of finance at all times. A copy of the inventory of each budget unit shall be filed with the department of finance as of June 30 of each year.

SECTION 41. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The governor, the chief justice, and the legislative research commission, or their designees may grant special authority for their budget units, during any fiscal year, to enter into contracts for capital outlay or for state printing, in anticipation of appropriation already made for the ensuing fiscal year or biennium. Contracts made before the close of a fiscal year under such authority shall be treated as deferred charges to the appropriations and expenses of the next fiscally year or biennium. The grant of such authority and a report of all contracts made under this section shall be reported to the department of finance.

SECTION 42. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided by law, each state officer or employe who is authorized by law to receive, from corporations or from the state treasury or any fund appropriated out of the state treasury, his traveling or other expenses incident to the discharge of his official duties, shall submit to the department of finance an itemized statement of such expenses, accompanied by a receipt for each item of expense in excess of two dollars ($2.00), before the department shall audit or pay such expenses. The department of finance may rely on a preaudit performed by the budget unit as a basis for issuing a warrant.

(2) The department of finance may issue rules and regulations to permit budget units to contract with airlines, railroads, hotels, or other companies for services to a group of their employes while on official travel status. Such expenses are to be submitted to the department of finance on forms prescribed by the department of finance before the department shall audit or pay such expenses.

(3) The department of finance may issue rules and regulations to permit state officers or employes to assign their claim for reimbursement of travel expenses to airline, railroad, hotel, or other companies in payment of services rendered as provided for in subsection (2) of this section and as shown on the itemized statement and receipts as provided for in subsection (1) of this section, which statements and receipts shall indicate that such company has extended credit to said officer or employe in the name of the state and incident to the discharge of his official duties.

(4) Each state officer or employe who by reason of the duties assigned to his office is required to be at the state capital for the majority of the time, or who has an office located at the state capital, shall not be permitted to charge for expenses except from the state capital to the place where the business he is transacting is to be transacted, and from that place back to the state capital, and each officer or employe who is assigned to duty at some place other than the state capital shall only be permitted to charge to the state such expenses as are incurred in going from that place to the place where the business is transacted, and returning. Expenses in going from the state capital or the place where the officer or employe is assigned to duty to the officer's or employe's real place of residence, or in return therefrom, shall not be allowed unless it is shown that it was necessary for him to make the trip in the discharge of business for the state.

(5) The department of finance may issue rules and regulations to permit the payment of travel and other expenses incidental to the official activities of formally organized groups sponsored by or otherwise representing state agencies. The payment may be made direct to service establishments in the manner set forth in subsection (3) of this section, by an inter-account bill between budget units, or by reimbursement to the official or other employe who has been designated as the officer-in-charge of the organized group. If it is necessary that one (1) or more state employes or officials travel with the group, their expenses may be included in the total expenses for the group.

(6) The department of finance may issue rules and regulations allowing heads of budget units to establish imprest cash funds for reimbursement of travel expenses.

(7) Except as provided in KRS Chapter 6, but the provisions of any other laws to the contrary notwithstanding, and in lieu of the reimbursement of travel and other incidental expenses authorized by subsection (1) of this section, the department of finance may issue rules and regulations to provide for the payment of a fixed expense allowance per day to be established by the secretary of said department, plus necessary travel expenses, to each state officer or employe who is authorized by law to be reimbursed for expenses incurred in the discharge of his official duties. This payment shall be made from an appropriation for this purpose to a budget unit of a branch of government.

SECTION 43. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Any funds received into the state treasury which are later determined not to be due to the state may be refunded to the person who paid such funds into the treasury. The department of finance may issue a warrant to disburse the funds upon a request from the budget unit that originally received and deposited the funds. The request for refund must be approved by the head of the budget unit or his designated assistant. The department of finance may require any documentation deemed necessary.

SECTION 44. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall examine all authorizations for payment presented, and if it finds them correct shall file them and issue warrants upon the state treasurer. The department of finance shall not certify any claim to the state treasurer until it is satisfied that there is in the appropriation to the budget unit against which the claim is chargeable, a sufficient amount to pay the claim. The department of finance may rely on the preaudit performed by a budget unit as a basis for issuing a warrant.

(2) The department of finance, the chief justice and the legislative research commission with the approval of the attorney general, may authorize the compromise of any disputed claim by or against their respective branches of government. In the event of a claim against the Commonwealth which cannot be ascribed to a particular branch of government of budget unit thereof, with the approval of the attorney general, it may be compromised by agreement among them.

SECTION 45. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance, the chief justice, and the legislative research commission for their respective branches of government shall investigate any alleged mismanagement of any of the affairs of the state by any officer, employe or governing body responsible within their respective branches of government for the carrying out of any state function or the management of state funds and shall recommend the removal of any unnecessary officer or employe and of any officer or employe who they find has grossly mismanaged any state affairs within their respective branches of government.

SECTION 46. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

For the purpose of enforcing the provisions of this chapter and those sections of Chapters 41, 45, and 48 relating to the state budget and financial administration, the secretary of the department of finance, the chief justice, and the legislative research commission, for their respective branches of government, or any officer or employe designated by them, shall have free access during business hours to all books, reports, papers and accounts in the office or under the care or control of any budget unit of their respective branches of government, and may administer oaths, certify to official acts, issue subpoenas, compel the attendance of witnesses and the production of testimony touching any subject properly under investigation by them, and may compel the production of books, papers and accounts. If any person fails to comply with the order of, or to obey a subpoena issued by them or their designated agents, or refuses to testify as a witness to any matters regarding which he may be lawfully interrogated, the judge having jurisdiction of the person to whom the order or subpoena was issued may, on their application compel obedience by proceedings for contempt as in the case of disobedience of a subpoena or order issued from such court or a refusal to testify therein, and may adjudge such person guilty of contempt of court and punish him as provided by law in other contempt cases.

SECTION 47. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance, within budgetary limits fixed by any appropriations made by the general assembly for such purpose, shall contract with the city of Frankfort for the provision by the city to state agencies located at the seat of government for fire and police protection of state-owned property and other municipal services as are provided by the city to commercial and industrial taxpayers residing in the city of Frankfort.

SECTION 48. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) An executive branch budget unit may request that an audit be performed by the auditor of public accounts. Such request shall be in writing and shall include a statement of the scope and nature of the proposed audit.

(2) No budget unit shall enter into any contract with a certified public accountant for an audit unless the auditor of public accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request for an audit. Any contract with a certified public accountant entered into as a result of the auditor of public accounts declining to perform the audit shall specify the following:

(a) The certified public accountant shall forward a copy of the audit report and management letters to the auditor of public accounts and to the legislative research commission; and,

(b) The auditor of public accounts shall have the right to review the certified public accountant's work papers.

SECTION 49. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Any department, board, commission, agency, advisory council, interstate compact, corporate body, or instrumentality of the Commonwealth of Kentucky applying for federal funds, aids, loans, or grants shall file a summary notification of the intended application with the department of finance in accordance with the existing A-95 procedures.

(2) When as a condition to receiving such federal funds, the Commonwealth of Kentucky is required to match the federal funds, a statement shall be filed with the notice of intent or summary of the application stating:

(a) The amount and source of state funds needed for matching purposes;

(b) The length of time such matching funds shall be required;

(c) The growth of the program;

(d) How the program will be evaluated;

(e) What action will be necessary should the federal funds be canceled, curtailed, or restricted; and

(f) Such other financial and program management data as required by the department of finance or by law.

(3) Any application for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, must be approved by the secretary of the department of finance, the legislative research commission and the chief justice for their respective branches of government or their designated agents prior to its filing with the appropriate federal agency and shall comply with Section 15 of this Act. Any application for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, when such funds have not been appropriated for that express purpose, must be approved by the general assembly, if in session, or the interim joint committee on appropriations and revenue, if not in session.

(4) When any federal funds, aids, loans, or grants are received by any department, board, commission or agency of the Commonwealth of Kentucky, a report of the amount of funds received shall be filed with the department of finance; and this report shall specify the amount of funds which would reimburse an agency for indirect costs as provided for under OMB Circular A-87.

(5) The secretary of the department of finance may refuse to issue his warrant for the disbursement of any state or federal funds from the state treasury as the result of any application which is not approved pursuant to this section, or in regard to which the statement or reports required by this section were not filed.

(6) The secretary of the department of finance shall be responsible for the orderly administration of this section and for issuing the appropriate guidelines and regulations from each source of fund used.

Section 50. KRS 11.250 is amended to read as follows;

(1) The governor-elect or a delegate appointed by him shall be entitled to examine the budget *request of the executive branch of government* [~~report in process~~], and the department of finance shall provide him with every practicable facility for reviewing and familiarizing himself with its contents. The governor-elect shall be entitled to a seat in all hearings thereon. He shall be furnished a copy of the budget *request of each executive branch budget units* [~~report as approved by the governor~~]. The budget director shall make available to the governor-elect so much as he requests of the information upon which the governor's budget *recommendation* [~~report~~] is based.

(2) After a review of the *executive branch joint* [~~governor's~~] budget *resolution*, the governor-elect may prepare revisions and additions thereto. The budget director shall assist, upon request, in the preparation of such revisions and additions.

(3) The budget director shall have as many copies of the revised budget *recommendation of the executive branch of government* [~~report~~] printed as the governor-elect requests.

Section 51. KRS 15.500 is amended to read as follows:

(1) If funds appropriated by the general assembly and otherwise made available to the law enforcement foundation program fund are insufficient to provide the amount of money required by KRS 15.460, the department of justice shall establish the rate of assistance to be paid to eligible local units of governments and a schedule of percentage supplements to categorically specified wage rates within each local unit.

(2) Funds appropriated by the general assembly and unexpended by the department of justice at the close of the fiscal year for which the funds were appropriated shall not lapse as provided by *Section 36 of this Act* [~~KRS 45.230~~], but shall be carried forward into the following fiscal year.

Section 52. KRS 15.750 is amended to read as follows:

(1) Each commonwealth's attorney and each county attorney shall submit a proposed budget for his office to the prosecutors advisory council to be included in the total budget of the unified prosecutorial system and submitted as part of the budget of the office of the attorney general in accordance with KRS Chapter *48* [~~45~~]. Nothing contained herein shall be construed as limiting, restricting, or terminating the authority of local governmental units, including cities, counties, and urban counties, to provide financial support for the office of any prosecutor.

(2) Office expenses incurred by the commonwealth's attorney in the performance of his duties, as required by the Kentucky Revised Statutes, shall be paid by the Commonwealth.

(3) Office expenses incurred by the county attorney in the performance of his duties as criminal prosecutor shall be paid by the Commonwealth.

(4) Office expenses incurred by the county attorney in the performance of his duties as legal adviser to the county shall be paid by the fiscal court or by the urban county council as required by the Kentucky Revised Statutes.

Section 53. KRS 18.190 is amended to read as follows:

The commissioner of personnel shall be the executive and administrative head of the department of personnel and shall supervise and control all examinations and work of the department. He shall act as the personnel board's adviser on all matters pertaining to the civil service of this state. Within the limitations of the budget, the commissioner of personnel shall appoint and supervise such staff as may be needed in the department of personnel to carry out the purposes of KRS 18.110 to 18.360. It shall be the duty of the commissioner of personnel, with the aid of his staff to:

(1) Attend all meetings of the personnel board;

(2) Prepare and recommend to the personnel board rules and regulations for the purpose of carrying out the provisions of KRS 18.110 to 18.360. Such rules shall provide, among other things, the manner of completing appointments and promotions, including multiple and simultaneous certifications; rejection of ineligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examination; leaves of absence with and without pay; transfers, reinstatements, lay-offs; public notice of examinations; procedures for changes in rates of pay; and other conditions of employment;

(3) Establish general procedures for personnel recruitment, for certification, for improving the efficiency of employed personnel, and for the separation of employes deemed unsatisfactory or excessive by agency or department heads subject to the provisions of KRS 18.110 to 18.360;

(4) Appoint such examiners and technicians as are necessary for the conduct of the personnel program, whether on a permanent or temporary basis;

(5) Prepare and maintain a record of all employes, showing for each employe his name, post-office address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make such data and the class specifications for all positions available to the press and public;

(6) Prepare, in accordance with the provisions of KRS 18.110 to 18.360 and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;

(7) Make certification for appointment or promotion within the classified service, in accordance with the provisions of KRS 18.110 to 18.360;

(8) Make investigations concerning all matters touching the enforcement and effect of the provisions of KRS 18.110 to 18.360 and rules and regulations prescribed thereunder;

(9) Prepare, in cooperation with appointing authorities and others, programs for appraising employe work performance and collaborate with the several departments of the Commonwealth in the development of programs for employe training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department of personnel to this end;

(10) Provide personnel services to unclassified employes in agreement with the agencies involved not otherwise provided for herein;

(11) Present, in accordance with the provisions of *Section 5 of this Act* [~~KRS 45.070~~], budget *requests* [~~estimates~~] for the support of the personnel system created by KRS 18.110 to 18.360;

(12) Make a report and submit the same to the personnel board and to the governor not later than October first of each year; and

(13) Discharge such other duties as are imposed upon him by KRS 18.110 to 18.360, or by the board. The commissioner of personnel on behalf of the department may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

Section 54. KRS 36.140 is amended to read as follows:

(1) Officers and enlisted men ordered into active field service pursuant to KRS 37.240 or into active state service as defined in KRS 38.010(4) as individuals shall be entitled to reimbursement out of the state treasury for expense of transportation and for other expenses actually incurred pursuant to *Section 42 of this Act* [~~KRS 45.180~~] and the regulations promulgated thereunder, and, when government supplied quarters and mess facilities are not available to such officers and enlisted men without cost, they shall be entitled to reimbursement out of the state treasury for subsistence pursuant to *Section 42 of this Act* [~~KRS 45.180~~].

(2) Nothing in this section shall be construed to prevent such officers and employes of state departments and agencies from receiving fifteen (15) days annual military leave with pay.

Section 55. KRS 41.010 is amended to read as follows:

As used in KRS 41.070, 41.110, 41.120, 41.130, 41.150, 41.160, 41.290, 41.300 or 41.990, unless the context requires otherwise, the terms "appropriation," "budget unit," "disbursements," "employe," "expenditures," "expenses," and "receipts" have the meaning given them by KRS 43.010 and *Section 1 of this Act* [~~45.010~~].

Section 56. KRS 41.110 is amended to read as follows:

No public money shall be withdrawn from the treasury for any purpose other than that for which its withdrawal is proposed, nor unless it has been appropriated by the general assembly or is a part of a revolving fund, and has been allotted as provided in *Sections 1 through 32 of this Act* [~~KRS 45.010 to 45.990~~], and then only on the warrant of the department of finance. The provisions of this section do not apply to withdrawals of funds from state depository banks for immediate redeposit in other state depository banks or to funds held in trust for the security of bond holders.

Section 57. KRS 41.340 is amended to read as follows:

The treasurer shall make a clear, distinct and intelligible report of all money received and disbursed during each fiscal year, showing the receipts and expenditures of each year on account of every department of the public service, the name of each state depository and the rate of interest paid by it. The report shall be published annually and the treasurer shall *submit the report to the governor, the chief justice and the legislative research commission ninety (90) days after the close of the fiscal year* [~~lay the reports before the general assembly by the sixth day of the session~~].

Section 58. KRS 41.380 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor, the state treasurer, the secretary of the development cabinet and the secretary of the department of finance. The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.

(2) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the *surplus account of the general fund* [~~general expenditure fund~~], except that interest from investments of excess cash in the road fund shall be credited to the *surplus account of the* road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(4) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

Section 59. KRS 43.050 is amended to read as follows:

(1) The auditor constitutes an agency independent of the administrative departments enumerated in KRS 12.020, it being the policy of the general assembly to provide for the independent auditing of the

accounts and financial transactions of all spending agencies of the state through a disinterested auditor, who is entirely independent of the state administration whose affairs he is called upon to audit.

(2) The auditor shall:

(a) Audit annually, and at such other times as may be deemed expedient, the accounts of all state agencies, all private and semiprivate agencies receiving state aid or having responsibility for the handling of any state funds, the accounts, records and transactions of the budget units, and the general accounts of the state.

(b) Make a complete audit and verification of all moneys handled for the account of the state government by local officials charged with the collection of fees or other money for or on behalf of the state, when such an audit is demanded in writing by the legislative research commission, the secretary of the department of finance or the governor, and may make such an audit when it is not so demanded.

(c) Examine annually the management, conduct and condition of all asylums, prisons, institutions for the mentally retarded and eleemosynary institutions and public works owned, operated or partly owned by the state, or in the conduct or management of which the state has any financial interest or legal power, giving special attention to the faithful and economical application of any money appropriated by the state to the institution or public works examined, or of any money in which the state has an interest.

(d) Examine annually the management and condition of the offices of the department of finance, the state treasurer and the superintendent of public instruction, to determine whether the laws regulating their duties are being fully complied with, and all money received by them for the state fully accounted for.

(e) Audit periodically all state revenue collections, and, if he finds that collections are not being satisfactorily made, report that fact to the authority whose duty it is to make such collections.

(f) Make special audits and investigations when required by the governor.

(g) Investigate the means of accounting for, controlling and insuring the safe custody of all property of the state, and verify the existence and condition of such property charged to, or held in the custody of any state agency.

(h) Audit the statements of financial condition and operations of the state government, examine the estimates of resources available for appropriation and the estimates of receipts prepared for inclusion in each *branch* [~~biennial~~] budget *recommendation* [~~report~~], and certify in writing the results of such audit and examination with such comments as he deems necessary for the information of the general assembly, his certificate and comments to be included with the statements and estimates as presented in the *branch* budget *recommendation* [~~reports~~].

(i) Report immediately in writing to the governor, each member of the legislative research commission, and the secretary of the department of finance, any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds, or other improper practice of financial administration, or evidence that any such handling, expenditure or practice is contemplated, and any obstruction of the auditor or his agents during the conduct of any audit or investigation of a state agency.

(j) Assist the legislative research commission at hearings and investigations conducted by it and cooperate with the legislative research commission in the preparation of its reports to the general assembly.

(k) Keep accounts showing the costs of his own operations and of each separate audit and investigation made by him, and such accounts as he deems necessary to provide a record of warrants of the state outstanding as of the end of each calendar month.

(3) The auditor may investigate and examine into the conduct of all state and county officers who are authorized to receive, collect or disburse any money for the state, or who manage or control any property belonging to the state or in which the state is interested, or who make estimates or records that are used as a basis by any state agency in the disbursement of public funds.

(4) The auditor shall not be responsible for the keeping of any accounts of the state, except accounts relating to his own operations, and records of outstanding warrants. He shall not be responsible for the collection of any money due the state, or for the handling or custody of any state funds or property except in the process of counting and verifying the amounts of such funds or property in the course of the audits provided for in this section.

Section 60. KRS 45.760 is amended to read as follows:

The provisions of any other law notwithstanding:

(1) The governor shall include in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the draft *joint budget resolution for the executive branch* [~~appropriation act or acts~~] submitted to each regular session of the general assembly pursuant to KRS 45.030 and 45.040, for the biennium period beginning July 1, 1980 and for each biennium thereafter, a recommended state capital construction program and a recommended program for the purchase of major items of equipment.

(2) The recommended capital construction program shall include:

(a) A complete list and summary description of each specific capital construction project recommended for funding during the biennium; and

(b) For each project:

(i) The agency and purpose for which it will be used;

(ii) The justification for the project;

(iii) Its estimated completion date;

(iv) The total estimated cost of completing the project;

(v) The estimated cost of the project during the biennium;

(vi) The recommended sources of funds for the entire project; and

(vii) The dollar amounts recommended for appropriation and the dollar amounts, listed by source, that are anticipated from every other source of funds for the biennium.

(3) All information required by subsection (2) of this section shall be included in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~]. The *joint budget resolution for the executive branch* [~~draft appropriation act or acts~~] shall contain only a complete list of the specific capital construction projects recommended for funding during the biennium and, for each project, the information specified in subparagraphs (v), (vi) and (vii) of subsection (2)(b) of this section.

(4) During any biennium beginning July 1, 1980 and during each biennium thereafter, the amount allotted, from all sources, for expenditure on any project in the state capital construction program for that biennium shall not exceed the estimated cost of the project during that biennium, as shown in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the *joint budget resolution for the executive branch* [~~appropriation act or acts~~] enacted by the general assembly, except as provided in KRS 45.770 and 45.780.

(5) The recommended program for the purchase of major items of equipment shall include:

(a) A complete list and summary description of each specific major item of equipment recommended for purchase during the biennium; and

(b) For each major item of equipment:

(i) The agency and purpose for which it will be used;

(ii) The justification for the purchase;

(iii) The estimated cost of the item;

(iv) The recommended sources of funds; and

(v) The dollar amounts recommended for appropriation and anticipated from every other source of funds for the purchase.

(6) All information required by subsection (5) of this section shall be included in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~]. The *joint budget resolution for the executive branch* [~~draft appropriation act or acts~~] shall contain only a complete list of each specific item of major equipment recommended for purchase during the biennium and, for each item, the information specified in subparagraphs (iii), (iv) and (v) of subsection (5)(b) of this section.

(7) During any biennium beginning July 1, 1980 and during each biennium thereafter, the amount allotted from all sources for expenditure for the purchase of any major item of equipment shall not exceed the estimated cost of the item as shown in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the appropriation act or acts enacted by the general assembly and authorizing the purchase, except as provided in subsection (8) of this section and in KRS 45.770 and 45.780.

(8) A major item of equipment to be used for medical, scientific or research purposes, excluding computer equipment, may be purchased even though it is not specifically listed in the biennial budget report and appropriation act or acts enacted for the current biennium subject to the following conditions and procedures:

(a) Monies specifically appropriated by the general assembly for another purpose shall not be realloted for expenditure on the item;

(b) Funds are available for the purchase and the method of financing the purchase will not require an additional appropriation of state funds to acquire the item; and

(c) The purchasing agency shall, within thirty (30) days after making the purchase, report the purchase to the capital construction and equipment purchase oversight committee. The report shall include a description of the item, the purpose for which it will be used, the necessity for the purchase, and the amount expended for the purchase from each source of funds used.

Section 61. KRS 45A.065 is amended to read as follows:

(1) The secretary of the department of finance may establish a procurement advisory council which shall meet at least once a year for the discussion of problems and recommendations for improvement of the procurement process. When requested by the secretary, the procurement advisory council shall conduct studies, research, analyses, and make reports and recommendations with respect to such subjects or matters within the jurisdiction of the secretary as may be prescribed. The procurement advisory council may consist of such qualified representatives of government, industry, educational institutions, and the general public as the secretary may deem desirable. Members shall be reimbursed for expenses incurred in the performance of council duties subject to the provisions of *Section 42 of this Act* [~~KRS 45.180~~].

(2) The secretary of the department of finance may appoint advisory councils to assist him with respect to specifications and procurement in specific commodity areas as well as other matters within his

authority. Advisory council members may consist of various qualified representatives as described in subsection (1) of this section, as may be appropriate for the designated task or project. Compensation shall be provided as in subsection (1) of this section.

(3) The secretary may also establish and maintain, either alone or in cooperation with other states, the federal government, municipalities, or other units of local government, a procurement institute for the purpose of disseminating information concerning state procurement and for training and educating officials and other persons in procurement, including persons not employed by the Commonwealth.

Section 62. KRS 56.870 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, prior to the issuance and sale of any definitive bonds or temporary bonds, or the securing of any interim financing through bond anticipation notes, loan agreements or by any other means, each agency, authority, board, corporation, cabinet, commission, or any other agency or instrumentality of the Commonwealth shall first obtain approval of any such financing from the general assembly, sitting in regular or special session. Such approval shall be evidenced by the adoption by the general assembly of a specific act or the adoption by the general assembly of the [~~biennial budget report and the~~] biennial *joint budget resolution* [~~appropriation act~~] which shall specify the purposes for such financing.

(2) The biennial *joint budget resolution* [~~appropriation act and budget report~~] shall also establish a ceiling for revenue bonds which require a general fund appropriation to retire.

(3) The provisions of subsection (1) of this section shall not be applicable to the financing of any project in any case where the project for which financing is proposed is certified by the governor, as hereinafter provided, to be of such type as to independently produce revenues sufficient to fully meet debt service on such financing so that no appropriation of state general funds will be required. Such certification shall be made in writing by the secretary of finance to the statutory head of the issuing agency or authority with a copy to the governor and the legislative research commission.

Section 63. KRS 67A.877 is amended to read as follows:

(1) The properties to be benefited by construction of a wastewater collection project shall consist of all real properties which are thereby afforded a means of draining wastewater from such properties, whether such real properties consist of unimproved land or contain improvements. Benefited properties shall include all real properties which are directly contiguous and abutting to any proposed sewer, lateral, main, outfall line, transmission line, interceptor, sewer easement to contain a project facility, or other project facility into which sanitary discharge and drainage of wastewater may be accomplished, whether the project sewer facility be constructed by application of the proceeds of the bonds or from funds otherwise made available by the government. Provided, however, the urban-county council of the government undertaking a project may adopt reasonable rules and regulations in respect of benefited property, and may exclude real properties which the urban-county council deems appropriate for exclusion because of location, size or other special circumstances.

(2) The urban-county council of the government may determine, either in the ordinance of initiation or in subsequent proceedings, the necessity and desirability in the interests of the public health, safety and general welfare, that properties other than the benefited properties be permitted to connect to a wastewater collection project in the future, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties may, by paying charges for the privilege of connecting and by assuming assessment obligations, be placed as nearly as practicable on a basis of financial equity with the owners of property initially provided to be benefited and assessed.

(3) Benefited property owned by any city, county, or urban-county government (or owned by the United States of America or any of its agencies, if such property is subject to assessment by act of congress), shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, urban-county government or United States government, as the case may be.

(4) Benefited property owned by the Commonwealth of Kentucky, except property the title to which is vested in the Commonwealth for the benefit of a district board of education pursuant to KRS 162.010, shall be assessed as follows: Before assessing the Commonwealth, the urban-county council shall serve written notice on the secretary of the department of finance of the Commonwealth, setting forth specific details, including the estimated aggregate total amount of any improvement benefit assessment proposed to be levied against any property of the Commonwealth relative to the project. Said written notice shall be served prior to the next regular session of the general assembly of Kentucky so that the amount of any specific improvement assessment may be included in the biennial *executive branch* budget *recommendation* [~~report~~] to be submitted to the general assembly. Payment of any assessment shall be made only from funds specifically appropriated for that assessment. If an amount sufficient to pay the total amount of an assessment has been appropriated, then the total amount shall be paid, as and when due. If an amount sufficient only to pay annual assessment has been appropriated, then only the amount of the annual assessment shall be paid. The amount of the assessment shall be certified by the commissioner of finance of the urban-county government to the department of finance, which shall thereupon draw a warrant upon the state treasurer payable to the government and the state treasurer shall pay the same.

(5) In the case of property the title to which is vested in the Commonwealth for the benefit of a district board of education, the amount of the annual assessment shall be paid by the city, county, urban-county government or other local governmental agency or authority which represents the taxing authority of such board of education.

(6) No benefited property shall be exempt from assessment, except as herein provided.

Section 64. KRS 107.140 is amended to read as follows:

(1) (a) In the case of improvements of public ways, the benefited property shall consist of all real property abutting upon both sides of the improvement project, and the cost of improving intersections shall be included in the total costs to be assessed and apportioned, unless and to the extent the city shall appropriate, within constitutional limitations, from available funds, definite and specified sum as a contribution thereto, or a portion of the aggregate cost, or the cost of specified portions of the improvement; provided, however, that if provisions shall be made for sidewalk improvements, as an integral part of the improvement of a "public way," as defined in subsection (3) of KRS 107.020, upon only one side of the project, the costs of the sidewalk improvement shall be ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assessment shall include a fair share of the over-all costs as herein defined, other than the amounts of the actual construction contracts.

(b) In the case of improvements for draining sewage, storm water, or a combination thereof, the benefited properties shall consist of all properties which are thereby afforded a means of drainage, including not only the properties which may be contiguous to the improvements, but also adjacent properties within a reasonable distance therefrom as the governing body may in the proceedings set forth.

(c) In the case of an improvement project consisting in whole or in part of a sewage treatment plant, or enlargement or substantial reconstruction of an existing sewage treatment plant, the benefited properties shall be all those properties the sewage from which is treated in such plant, including properties already provided with sewer drainage facilities as well as those properties which the improvement project will provide with such drainage facilities, but the governing body may classify properties according to the extent of benefits to be afforded to them, and may establish one (1) rate of assessment applicable to all properties participating in the benefits of the sewage treatment installations, and an additional rate of assessment applicable to properties for which the improvement project will also provide sewer drainage facilities. In relation to wastewater collection projects constructed by metropolitan sewer districts, benefited property shall consist of all property whether improved or unimproved to which the project affords a means of discharging wastewater.

(d) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare, that properties other than the properties originally benefited by an improvement under paragraphs (b) or (c) of this subsection, be permitted to connect to such sewer drainage and/or treatment facilities, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties, may, by paying charges for the privilege of connecting, and/or by assuming a share of improvement assessments, or otherwise, be placed as nearly as practicable on a basis of financial equity with the owners of properties initially provided to be assessed.

(e) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare that residential properties within one thousand feet (1000'), measured along paved roads, of a fire hydrant in cities of the third through sixth classes may be assessed on the same basis as property abutting upon a street where a fire hydrant is to be installed.

(2) (a) Benefited property owned by the city or county, or owned by the United States government or any of its agencies, if such property is subject to assessment by act of congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, or United States government, as the case may be. The same right of action shall lie against the county as against a private owner.

(b) Benefited property owned by the state, except property the title to which is vested in the Commonwealth for the benefit of a district board of education pursuant to KRS 162.010, shall be assessed as follows: Before assessing the state, the governing body shall serve written notice on the secretary of the department of finance setting forth specific details including the estimated total amount of any improvement assessment proposed to be levied against any state property relative to any proposed improvement project. Said written notice shall be served prior to the next regular session of the general assembly so that the amount of any specific improvement assessment may be included in the biennial *executive branch* budget *recommendation*[~~report~~] to be submitted to the general assembly. Payment of any assessment shall be made only from funds specifically appropriated for that assessment. If an amount sufficient to pay the total amount of any assessment has been appropriated, then the total amount shall be paid; if an amount sufficient only to pay annual assessments has been appropriated, then only the amount of the annual assessment shall be paid. The amount of the assessment shall be certified by the city treasurer to the department of finance, which shall thereupon draw a warrant upon the state treasurer, payable to the city treasurer, and the state treasurer shall pay the same.

(c) In the case of property the title to which is vested in the Commonwealth for the benefit of a district board of education, the amount of the annual assessment shall be paid by the city or other local governmental agency or authority which undertook the improvement project.

(3) No benefited property shall be exempt from assessment.

Section 65. KRS 134.400 is amended to read as follows:

(1) All penalties imposed by law, either in whole or in part, in favor of or for the benefit of agents of the department of revenue, sheriffs and other state, county or district agents or officers, upon or for the recovery of taxes or the assessment of omitted property, shall be paid into the state treasury and credited as provided for the twenty percent (20%) penalty in subsection (2) of this section.

(2) The twenty percent (20%) penalty collected on taxes due the state, county, school or other taxing district shall be paid into the state treasury. One-fourth (¼) of the moneys thus received shall be credited to the general expenditure fund. The remaining three-fourths (¾) shall also be credited to the general expenditure fund unless the general assembly, in its biennial *joint budget resolution* [~~appropriation act~~], provides that it be credited to a fund to be designated and known as the delinquent tax fund, in which case it shall be so credited and so much thereof as may be necessary shall be used for the administration and enforcement of the laws relating to the collection of delinquent taxes and the assessment of omitted property. All salaries, fees and expenses authorized by the laws relating to the collection of delinquent taxes and the assessment of omitted property, except the fees of county attorneys, shall be payable out of the delinquent tax fund upon certifications or requisitions of the commissioner of revenue.

Section 66. KRS 147B.035 is amended to read as follows:

The council may disburse any and all funds appropriated by the general assembly, or received from any state agency, and may apply for, receive and disburse funds from the federal government or any public or private agency or organization for purposes of carrying out the provisions of KRS 147B.010 to 147B.035. The office for research, college of business and economics may recover the cost of its services to the council, including any employe expense properly attributable thereto, provided, however, that council members, exclusive of the chairman and executive director shall not be entitled to compensation for their services on or for the council, but shall be entitled, subject to the provisions of *Section 42 of this Act* [~~KRS 45.180~~] and the state travel regulations, to reimbursement for all actual and necessary expenses incurred in connection with the performance of their duties.

Section 67. KRS 148.021 is amended to read as follows:

(1) The department of parks shall exercise all administrative functions of the state relating to the operation of state parks, shrines, monuments, and museums except those allocated to the historical society.

(2) The department may request acquisition, subject to the provisions of KRS Chapters 42, 45, 56, and the provisions made in this chapter, of lands by purchase, lease or otherwise, on which to operate state parks.

(3) The department may improve said parks by constructing and equipping improvements or facilities in said parks.

(4) The department may operate said parks, and fix fees and charges for the use of said parks and the improvements and facilities constructed therein, and provide for the collection of said fees and charges and the proper accounting therefor.

(5) The department of parks is authorized to enter into any agreement with the breaks interstate park commission for the operation of any facilities in the breaks interstate park.

(6) The department of parks is authorized to accept, for deposit in a trust and agency fund account in accordance with *Section 35 of this Act* [~~KRS 45.140~~], on behalf of the state any grant or contribution, federal or otherwise, to assist in meeting the cost of carrying out the functions assigned to the department of parks.

(7) Notwithstanding any provision in KRS chapter 41, 45, or 47 to the contrary, there may be established separate cash funds and depositories at each state park from which immediate payment of refunds may be made to a patron or guest of such state park of any unearned money advanced or paid by such guest or patron. The department may accept from a guest or patron an amount which includes the fee for the service rendered plus a gratuity for the waitress or other designated person and remit the gratuity directly from the depository or cash fund to the designated recipient thereof. Such funds or depositories shall be governed by regulations established by the department of parks and approved by the department of finance.

Section 68. KRS 149.020 is amended to read as follows:

(1) The department for natural resources and environmental protection may receive by donation, purchase, or lease lands for forestry purposes, and may convey, exchange or lease said lands and may sell timber or other forest products thereon. In exercising this function the department shall be exempted from any provision of *Section 30 of this Act* [~~KRS 42.030~~] or *KRS* 45.360, except with respect to the purchase, conveyance or exchange of lands.

(2) No land shall be purchased, leased or received as a donation unless the title thereto is merchantable and has been approved by the attorney general.

Section 69. KRS 149.050 is amended to read as follows:

(1) The division may lease or rent portions of lands acquired by it to responsible persons, for cultivation and grazing, but in no event shall it lease or rent lands the use of which would be detrimental to the growth of timber or destructive of game or wild animal life. Proceeds resulting from the leasing of such lands shall be covered into the state treasury.

(2) The division may, with the consent of the owner of lands leased to it, sublease or rent any of the leased lands in a manner that will not interfere with the growth of timber or the propagation of game and wild animal life. If the lands are subleased or rented under these conditions, the division and the owner shall divide the proceeds arising from the use of the lands, on a fifty-fifty basis, the division's one-half (½) shall be covered into the state treasury.

(3) In exercising the functions of this section the division shall be exempted from any provision of *Section 30 of this Act* [~~KRS 42.030~~] or *KRS* 45.360.

Section 70. KRS 151.560 is amended to read as follows:

(1) There is hereby created the flood control advisory commission, which shall be composed of fifteen (15) members as follows:

(a) The governor shall appoint six (6) members: two (2) state legislators, one (1) from the senate and one (1) from the house of representatives; two (2) mayors; and two (2) county judges/executive; and

(b) The legislative research commission shall appoint nine (9) members, one (1) from each of the following river basins: Big Sandy; Licking; Kentucky; Salt; Green; Ohio River Main Stem; Tennessee; Mississippi; and Upper Cumberland.

(2) Each member shall serve a four (4) year term, except the first commission members appointed by the legislative research commission who shall serve terms as follows:

(a) Three (3) members shall serve for terms of two (2) years from the date of appointment;

(b) Three (3) members shall serve for terms of three (3) years from the date of appointment; and

(c) Three (3) members shall serve for terms of four (4) years from the date of appointment.

(3) Commission members may be reappointed. A vacancy in an unexpired term shall be filled for the unexpired portion of the term in the same manner as the original appointment to that term.

(4) Any member who misses three (3) consecutive meetings of the commission shall be deemed to have vacated the office. The commission shall declare the office vacant and the office shall be filled as provided by subsection (3) of this section.

(5) Two (2) of the commission members shall be elected by the commission to serve on the water resources authority of Kentucky, which service shall cease with the expiration of the term of appointment on the commission, if not sooner.

(6) The commission shall annually elect one of its members as chairperson. The commission shall meet quarterly or more often if necessary. A quorum for the transaction of business shall be nine (9) members, and a majority of the members present at a meeting may take action on any matter legally before it.

(7) Members shall be paid their necessary expenses incurred in attending meetings and in the performance of their official duties.

(8) The commission shall employ an executive director, who shall be qualified on the basis of administrative ability in water resource management. The commission, on the advice of the executive director, shall employ additional staff, as required, who are knowledgeable in such areas as hydrology, geology, engineering, municipal planning, regional planning, economics, and secretarial science. The commission may engage, as needed, the professional services of individuals on a contractual basis.

(9) The commission shall be attached for administrative purposes to the office of the governor.

(10) The commission shall receive an annual appropriation from the general fund and shall prepare a line-item budget, which shall appear as a line item in the *executive branch* biennial budget *recommendation* [~~report~~] and in the biennial *joint budget resolution* [~~appropriation act~~].

(11) The commission may receive private funds, federal grants, and discretionary funds from the department for natural resources and environmental protection.

(12) The commission shall issue rules and regulations as necessary to control internal procedures. The commission shall establish by regulation the boundary for each river basin referred to in subsection (1)(b) of this section.

Section 71. KRS 164.892 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of three hundred fifty thousand dollars ($350,000) in the manner and within the time specified in subsection (3) of this section.

(2) Upon receipt of the initial payment of eighty-seven thousand five hundred dollars ($87,500), the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Louisville" and there shall be credited to said fund the initial payment of eighty-seven thousand

five hundred dollars ($87,500), all income thereafter earned from the investment of said fund and all contributions thereafter made by the university to said fund. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of KRS 41.380 or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The university shall make an initial payment of eighty-seven thousand five hundred dollars ($87,500) upon action by its board of trustees as described in KRS 164.895. Annual payments of eighty-seven thousand five hundred dollars ($87,500) shall be made thereafter until the university has paid a total of three hundred fifty thousand dollars ($350,000) into the "basic coverage compensation fund, University of Louisville," except that when the university commences the operation of a teaching hospital, the difference between the total of all annual payments made into the basic coverage compensation fund and the sum of three hundred fifty thousand dollars ($350,000) shall become due and payable.

(4) The funds held in any fund created under KRS 164.890 to 164.895 shall be expended solely in payment of claims and judgments for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1976 and which may occur in the future and which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(5) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth then such payment must also be approved by the secretary, or his delegate.

(6) Funds held in any account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(7) In addition to the payments to said fund required to be made in subsection (3) above, annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. Provided, however, that if the university and the secretary shall at any time in the future mutually determine, based on sound actuarial principles, that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one (1) year, then an annual contribution in such lesser amount as may be determined may be made.

(8) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses, and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(9) Claims and judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created by contribution from the university shall at any time fail to have sufficient funds to pay all such judgments, then they shall be paid out of the excess coverage fund upon certification by the secretary. Said excess coverage fund shall be expended only upon exhaustion of the basic coverage compensation fund and any liability insurance from any source whatsoever.

Section 72. KRS 164.941 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of $350,000.

(2) Upon receipt of said payment of $350,000 the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Kentucky" and there shall be credited to said fund the initial payment of $350,000, all income thereafter earned from the investment of said fund, and all contributions thereafter made by the university. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the

investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of KRS 41.380 or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The funds held in any fund created under KRS 164.939 to 164.944 shall be expended solely in payment of claims for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1975 and which may occur in the future which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(4) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth under the provisions of subsection (8) of this section then any payment from said fund must also be approved by the secretary, or his delegate.

(5) Funds held in an account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(6) Annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. In the event the university terminates its commercial excess insurance coverage then said annual contributions shall be in the amount of $250,000 with the first contribution being due and payable within twelve (12) months next following the month in which such insurance is terminated. Provided, however, that if the university and the secretary shall at any time in the future, based upon accepted actuarial principles, mutually determine that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one year, then an annual contribution in such lesser amount as may be determined may be made.

(7) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(8) Claims or judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created hereunder shall at any time fail to have sufficient funds to pay all judgments, then they shall be paid out of the excess coverage fund upon certification of the obligation by the secretary and the university. Said excess fund shall be expended only upon exhaustion of the basic coverage compensation fund and any insurance from any source whatsoever.

Section 73. KRS 171.280 is amended to read as follows:

The revolving fund established by *the joint budget resolution* [~~appropriation acts~~], consisting of all moneys collected under the provisions of KRS 171.230 to 171.300 shall be designated as the librarian's certification fund. All money credited to the fund shall be used for the support of the board for certification of librarians, and for the purposes of KRS 171.230 to 171.300.

Section 74. KRS 175.780 is amended to read as follows:

In order to provide for the construction, reconstruction, and relocation of economic development road projects, the authority is hereby authorized and empowered, subject to the limitations contained in the biennial *joint budget resolution* [~~appropriations act~~], under and pursuant to the terms and provisions of a written agreement or agreements with the department, to construct, reconstruct, relocate, finance, and operate economic development road projects, to lease such projects to the department, and to issue economic development road revenue bonds or notes of the authority to finance such projects. In the planning, construction and financing of any economic development road project, the authority and the department shall, subject to the provisions of KRS 175.750 to 175.810, have and use all authority, procedures and rights provided by the provisions of KRS 175.410 to 175.690, inclusive.

Section 75. KRS 212.120 is amended to read as follows:

(1) Upon the creation of a county health department, the fiscal court of the county shall at once notify the department for human resources of the action of the county to create, establish and maintain a county health department. When the duly qualified officials of a county certify to the department for human resources a true copy of the order or vote establishing a health department, and providing for its maintenance, and state the amount of the annual appropriation provided by the county the department for human resources shall make an investigation as to the necessity of the development of the department, and the adequacy of the appropriation provided by the county therefor, and shall report its findings to the governor.

(2) If the department for human resources finds that such county health department has been established in accordance with the provisions of this chapter and is being maintained, conducted and operated in accordance with the standards prescribed by the department for human resources, the department for human resources shall, on or before July 1 in each year, allot to each such county health department such amount that the department for human resources deems to constitute a just and equitable share of all funds available therefor by appropriation by the General Assembly of this Commonwealth, by grants and gifts received by this Commonwealth from the government of the United States of America or any of its agencies or instrumentalities, and from other sources. Provided, however, that no allotment to any such county health department shall be less than two thousand five hundred dollars ($2,500).

(3) In determining the allotments referred to in subsection (2) of this section, the department for human resources shall endeavor to provide for a distribution of the funds in a manner that is reasonably calculated to equalize, so far as practicable, local health services to the people of all counties served by the county health departments. The department for human resources may take into consideration variations existing between counties by reasons of difference in population, resources, industrialization, tax assessments and tax rates, and other local factors and conditions; the legislative intent being hereby declared to be that counties shall provide, from local sources of revenue that are available or that may be made available to them, financial support of county health departments to the extent of their representative abilities.

(4) The department for human resources may, in its discretion alter or modify allotments from time to time and shall cancel any allotment whenever it finds that there is no further need or necessity for a particular county health department for whose benefit the allotment was made or whenever a particular county health department for whose benefit an allotment was made is not maintained, operated and conducted in accordance with the standards prescribed by the department for human resources. Nothing in this section shall be construed as requiring the department for human resources to allot all funds available for local health purposes, or as prohibiting the board from allotting such portion thereof, as the board may determine, to a reserve account which may be sub-allotted by the board in such a manner that it considers proper in the event of emergencies, disaster, or unforeseen events, without regard to the provisions of subsection (3) of this section.

(5) Notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] and any other provision of the Kentucky Revised Statutes, any unexpended or unencumbered balance of any appropriations made available for allotment and expenditure, as provided above, for the first fiscal year of each biennium, remaining at the end of such fiscal year, shall be carried forward and be available for expenditure at any time during the ensuing fiscal year within the biennium and no portion thereof shall lapse to the general fund.

Section 76. KRS 330.050 is amended to read as follows:

(1) There is hereby created a board of auctioneers. The governor shall appoint a board consisting of five (5) members, three (3) of whom immediately prior to the date of their appointment have been residents of the Commonwealth of Kentucky for five (5) years, and whose vocation for a period of at least five (5) years has been that of an auctioneer. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The term of the members of the board shall be for three (3) years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term.

(2) At no time shall there be more than three (3) members of the same political faith on the board. Whenever there is a vacancy on the board, the Kentucky auctioneer association shall recommend to the governor at least three (3) names for each auctioneer vacancy and such appointment or appointments shall be made from the recommendations of the association.

(3) The board, immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a chairman.

(4) Each member of the board shall receive the sum of twenty-five dollars ($25.00) per day as full compensation for each day actually spent on the work of the board and his actual and necessary expenses incurred in the performance of duties pertaining to his office.

(5) The board shall have full authority to employ, and discharge, a secretary and such other personnel as may be necessary to administer and enforce the provisions of this chapter, and it shall outline the duties and fix the compensation of such persons, which compensation shall be comparable to the salaries paid other state employes doing similar work. The board shall obtain office space, furniture, stationery and any other proper supplies and conveniences reasonably necessary to carry out the provisions of this chapter.

(6) All fees and charges collected by the board under the provisions of this chapter shall be paid into the state treasury through the department of finance and shall be credited to an agency-fund account for the board of auctioneers under the provisions of *Section 35 of this Act* [~~KRS 45.140~~] and shall be withdrawn or expended as provided in that section. The total expenses for all purposes and obligations of the board shall not exceed the total fees, charges, fines and penalties imposed under the provisions of this chapter and paid into the state treasury. The board shall be financially self-sustaining, and if funds permit it may underwrite, within its financial limitations, educational programs for the enlightenment and benefit of all auctioneers and apprentice auctioneers who have paid fees pursuant to this chapter.

(7) The board shall annually publish a list of the names and addresses of all auctioneers and apprentice auctioneers licensed by it pursuant to this chapter. This list shall also contain the names of all persons whose licenses have been suspended or revoked within the preceding year, as well as any other information relative to the enforcement of the provisions of this chapter that the board may deem of interest to the public.

(8) The board may from time to time promulgate necessary rules and regulations.

Section 77. KRS 334A.120 is amended to read as follows:

All monies received by the board under this chapter shall be paid to the secretary of the board. All money shall be deposited in the state treasury into a separate trust fund for the board. The board shall be financed solely and individually from income accruing to it from fees, licenses, and other charges collected by the board and all such monies are hereby appropriated to the board. All salaries and expenses shall be paid as budgeted after budgets have been approved by the state budget commission or within the limitations of any appropriation for that purpose which may be included in the *executive branch joint budget resolution* [~~general appropriations act~~].

Section 78. KRS 335.140 is amended to read as follows:

All fees and other charges received by the board under this chapter shall be deposited in the state treasury and credited to a separate trust and agency account for the board. The moneys so deposited shall be used to finance the board, and are hereby appropriated to the board. All salaries and expenses shall be paid as budgeted after budgets have been approved by the state budget commission or within the limitations of any appropriation for that purpose which may be included in the *executive branch joint budget resolution* [~~general appropriations act~~].

Section 79. The following KRS sections are repealed:

42.030 General functions of department.
42.160 Mismanagement of state affairs, duty of department in case of.
42.320 State clearinghouse functions for federal funds.
45.010 Definitions.
45.020 Expenditures to be authorized by appropriation acts — Refund of funds illegally received.
45.030 Biennial budget report to be prepared.
45.040 Contents of biennial budget report.
45.045 Budget recommendations.
45.050 Appropriation and revenue acts — Adoption — Questions of interpretation.
45.060 Forms for budget estimates.
45.070 Estimates to be submitted by heads of budget units.
45.080 Continuous financial planning.
45.090 Duties of governor in preparation of budget report — Governor-elect to be informed.
45.100 Budget report to be printed and transmitted to house of representatives.
45.110 Representative of department of finance to serve appropriations committees.
45.120 Appropriation of preceding year, when continued.
45.140 Revolving trust and agency accounts — Charges for services by agencies.
45.155 Contract between state and city of Frankfort for municipal services to state agencies.
45.160 Allotment of appropriations — Deviations.
45.170 Disbursements, how authorized — Vouchers.
45.180 Expense accounts of state officers and employes.
45.185 Establishment of air travel credit plan and other credit plans.
45.190 Unauthorized obligations — Current inventories of supplies and equipment.
45.200 Contracts for capital outlay or printing in anticipation of appropriations.
45.220 Examination of claims — Preaudit by budget unit — Compromise of disputed claims.
45.230 Lapsing of appropriations.
45.250 Forms for use in state financial and business administration.
45.285 Audit of state agency by auditor of public accounts — Contract for audit by certified public accountant — Right of review.
45.300 System of state accounts.
45.320. Fiscal reporting.
45.321 Receivable accounts.
45.322 Accounting system fund structure.
45.330 Power of the department of finance to make investigations and secure evidence.

HB 653, AN ACT relating to circuit clerk's compensation and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.055 is amended to read as follows:

(1) The salaries of circuit clerks, payable out of the state treasury per annum, subject to the minimum provided by subsection (2) and to the calculation provided by subsection (3) of this section, shall be:

Population of County	Annual Salary
0 - 4,999	$11,000
5,000 - 9,999	14,000
10,000 - 14,999	17,000
15,000 - 19,999	19,000
20,000 - 29,999	20,000
30,000 - 39,999	21,000
40,000 - 49,999	21,500
50,000 - 99,999	22,000
100,000 - 499,999	22,500
500,000 - and up	25,000

(2) The annual compensation payable to each circuit clerk beginning on July 1, 1980 shall be $2,000 in excess of the annual compensation payable as of June 30, 1980; *the annual compensation payable to each circuit clerk beginning on July 1, 1982, shall be two thousand dollars ($2,000) in excess of the annual compensation then otherwise payable including the amount calculated as the increase or decrease as provided by subsection (3) of this section.*

(3) In order to equate or adjust the compensation of circuit clerks with the purchasing power of the dollar, the department of finance shall compute by July 1 of every year, beginning on July 1, 1981, the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year. Upon notification from the department of finance, the annual compensation of circuit clerks for fiscal year 1982 and each fiscal year thereafter shall be set at a rate which includes the adjustment for the increase or decrease in the consumer price index, but in no event shall a circuit clerk receive an annual increase exceeding six percent (6%) of salary.

For purposes of determining movement of circuit court clerk salaries from calendar year 1976 level to the maximums for calendar year 1978 as outlined above, the following guidelines should be used.

1. The actual calendar year 1976 salary of the circuit court clerk, as certified by the administrative office of the courts from information supplied by the auditor of public accounts, will be adjusted to the 1977 cost of living increase to be determined by the Kentucky department of commerce. This adjusted figure will be the base to compare with the salary maximums outlined above.

2. Those clerks whose base, as determined in 1. above, does not reach the maximums outlined above, will be allowed yearly increases up to twenty percent (20%) of the base, not to exceed the maximums outlined above.

3. Those clerks whose base, as determined in 1. above, is equal to or greater than the maximums outlined above, will be allowed a one time ten percent (10%) adjustment to their base salary as determined in 1. above.

4. The initial population determination for compensation under this section shall be based on the 1970 federal census or the "final" issue of "Current Population Reports, 1974" issued by the United States Bureau of the Census, whichever is greater. In 1981 and thereafter, population shall be based on the decennial census.

5. The annual salary for 1978 for each circuit court clerk shall be no less than seventy-five percent (75%) of the maximum amount permitted for each population category.

Section 2. For the purpose of funding this amendment to KRS 64.055 there is appropriated to the Court of Justice, out of the general expenditure fund in the state treasury, $273,400 for fiscal year 1982-83 and $295,780 for fiscal year 1983-84.

Section 3. In order to prevent the erosion of the salary of circuit clerks an emergency is declared to exist and this Act shall become effective July 1, 1982.

HB 659, AN ACT relating to the income tax check-off for political parties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 141.071 is amended to read as follows:

(1) The term "political party" shall, for the purposes of this section and KRS 141.072 and 141.073, mean those parties who met the requirements of KRS 118.015 on January 1 of the taxable year.

(2) Every individual whose income tax liability for the taxable year is *as great or greater than amounts permitted to be designated under this section, may designate that the tax paid or portion thereof be paid, as provided under this section and KRS 141.072, to a political party. Amounts of individual tax liability permitted to be so designated are as follows: for the 1982 taxable year, one dollar and fifty cents ($1.50); for the 1983 taxable year, one dollar and seventy-five cents ($1.75); and for the 1984 taxable year and for every year thereafter, two dollars ($2.00). In the case of a joint return, each spouse shall, for the purposes of this section, be considered to have an equal tax liability and may each designate amounts as provided in this section, provided that the joint tax liability is at least as great as amounts jointly so designated.* [~~one dollar ($1) or more may designate that one dollar ($1) of the tax paid shall be paid as provided in KRS 141.072 to a political party. In the case of a joint return having an income tax liability of two dollars ($2) or more, each spouse shall be deemed to have paid one dollar ($1) and each may designate that one dollar ($1) of the tax paid shall be paid as provided in KRS 141.072 to a political party.~~] Such designation shall not increase or decrease the income tax liability of any taxpayer nor shall it reduce the overpayment of any taxpayer.

Section 2. KRS 141.072 is amended to read as follows:

The designation for a political party shall appear on the face of the individual income tax return. *Fifty cents (.50) of any designation pursuant to KRS 141.071 shall be reserved for remittance to the appropriate official of the local governing authority of the designated political party within the taxpayer's resident county. The remainder of the designation shall be reserved for remittance to the appropriate official of the state governing authority of the designated political party.* The commissioner of revenue shall annually certify by December 1 all such designated amounts to be paid by the state treasurer, and the treasurer shall annually remit by the following January 1 such funds to the *appropriate* [~~designated~~] official of the *state and local governing authorities of the designated* [~~appropriate~~] political party.

Section 3. KRS 121.230 is amended to read as follows:

(1) No *state or local governing authority of a* political party to which funds are remitted under KRS 141.071 to 141.073 shall use such funds other than in support of the party's candidates in a general election and for the administrative costs of maintaining a political party headquarters.

(2) Each *state or local governing authority of a* political party to which funds are remitted under KRS 141.071 to 141.073 shall deposit such funds in a bank account separate from any account in which other funds of the political party are maintained. All expenditures from such remitted funds shall be by check. A copy of each cancelled check written on the account of funds remitted under KRS 141.071 to 141.073 shall be retained by the *state or local governing authority the* political party for a period of not less than four (4) years.

(3) The designated official of each *state or local governing authority of a* political party to which funds are remitted under KRS 141.071 to 141.073 shall maintain a current record of the receipts, balance and expenditures of the funds so remitted. In addition, the official shall, within thirty (30) days after each general election, forward to the registry of election finance a report of:

(a) The unexpended and unobligated balance of such remitted funds; and

(b) An itemized listing of each expenditure authorized, incurred or made from such remitted funds, indicating the amount, date and purpose of each expenditure, regardless of the amount, and the name, address and occupation of each person to whom an expenditure of fifty dollars ($50) or more was made, since the date of the last report.

(4) The reports required by subsection (3) of this section shall be a matter of public record open to inspection by any member of the public immediately upon receipt of the report by the registry.

(5) The registry of election finance shall annually audit the accounts and records of receipts and expenditures of funds remitted to each *state or local governing authority of a* political party under KRS 141.071 to 141.073 and shall report the results of each audit to the general assembly. In the course of such audits, the registry or its authorized agents may ascertain the amount of such remitted funds on deposit in the separate bank account, required by subsection (2) of this section, of the political party audited and may audit the account on the books of the bank. No bank shall be liable for making available to the registry any of the information required under this section.

Section 4. This Act shall be effective as of January 1, 1983.

HB 816, AN ACT relating to the local government economic assistance fund and the disbursement of monies therefrom.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 42.450 is amended to read as follows:

(1) There is hereby established in the state treasury a fund entitled "local government economic assistance fund". The fund may receive state appropriations, gifts, grants and federal funds and shall be disbursed by the state treasurer upon the warrant of the secretary of the department of finance. Any unallotted or unencumbered balances in the fund shall be invested in United States government securities maturing not later than one (1) year from the date of investment and the income earned from such investment shall be prorated for expenditure in [~~coal producing and coal impact~~] counties according to each [~~such~~] county's allocable part in the fund.

(2) Effective July 1, 1981, an amount equal to one-half (½) of the tax collected annually on the sale of minerals, exclusive of coal, shall be transferred from the general fund into this fund. Such transfers shall be made quarterly.

(3) Effective July 1, 1981, an amount equal to one-half (½) of the severance and processing taxes on coal collected annually, in excess of $177.6 million, shall be transferred from the general fund into this fund. Such transfers shall be made quarterly, based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

Section 2. KRS 42.455 is amended to read as follows:

(1) There is established within the department of local government a local government economic assistance program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all monies *allocated under KRS 42.470(1)(a), KRS 42.470(1)(b), and KRS 42.470(1)(c)* [~~in the fund~~] shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the *monies allocated under KRS 42.470(1)(a), KRS 42.470(1)(b) and KRS 42.470(1)(c), and all monies allocated under KRS 42.470(1)(d) and KRS 42.470(2)(a) and KRS 42.470(2)(b)* [~~fund~~] shall be spent on priority categories limited to the following:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewer disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) Financial administration and governmental management programs;

(i) Industrial and economic development; and

(j) Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The department of finance shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by KRS 42.455.

(6) The department for local government shall assure that public hearings equivalent to those required for the expenditure of federal general revenue sharing funds are held on the expenditure of funds received under KRS 42.450 to 42.495. The department of local government shall also submit an annual report to the governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the department of transportation shall publish and furnish to the department of finance a directory, including supporting maps and other documents, designating the official state coal road system in coal impact and coal producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal impact and coal producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of

identifying those highways, roads and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the department can accurately calculate total ton/miles within each coal impact and coal producing county.

(9) The department of revenue shall make available to the department of transportation coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 3. KRS 42.470 is amended to read as follows:

Monies in the local government economic assistance fund shall be allocated among the counties as follows:

(1) Funds allocated under KRS 42.450(3);

(a) *Thirty* [~~Sixty~~] percent *(30%)* [~~(60%)~~] shall be distributed to each coal producing county on the basis of the ratio of tax collected on coal severed in each respective county to the tax collected statewide.

(b) *Fifteen* [~~thirty~~] percent *(15%)* [~~(30%)~~] shall be distributed to each coal producing county on the basis of per capita income (inverse order), ton miles of resource roads and population, equally weighted.

(c) *Five* [~~Ten~~] percent *(5%)* [~~(10%)~~] shall be distributed to non-coal producing counties impacted by the transport of coal on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), weighted on a basis of 30/100, 40/100, and 30/100, respectively. The expenditure of such funds shall be limited to the categories of projects set out in KRS 42.455 (2)(c). To qualify for the funds distributed under the provisions of this paragraph, a county must have within its geographic boundaries twenty-five hundredths of one percent (.25%) of the total ton miles within coal impact counties.

(d) Fifty percent (50%) shall be distributed among all the counties in the state on the basis of the ratio of the population in each respective county to the total statewide population.

(2) [~~All~~] Funds allocated under KRS 42.450(2)*;*

(a) Fifty percent (50%) shall be distributed among the mineral producing counties on the basis of the tax collected on minerals severed in each respective county.

(b) Fifty percent (50%) shall be distributed among all the counties in the state on the basis of the ratio of the population in each respective county to the total statewide population.

Section 4. KRS 42.495 is amended to read as follows:

(1) In the event that a qualifying local government unit reduces its general tax effort for any fiscal year, below the level of fiscal year *1981-82* [~~1979-80~~], that governmental unit shall forfeit funds that would otherwise be available under the provisions of KRS 42.450 to 42.495 on a dollar-for-dollar basis.

(2) For purposes of this section, "general tax effort" shall mean the total revenues raised in fiscal year *1981-82* [~~1979-80~~] from the levy of all of the taxing district's taxes in fiscal year *1981-82* [~~1979-80~~]. Taxes based upon the *1981* [~~1979~~] assessment of property shall be considered to be taxes levied and collected for fiscal year *1981-82* [~~1979-80~~].

SECTION 5. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall have no effect upon the allocation of monies to counties and cities for fiscal years 1979-80 and 1981-82 under the provisions of Acts 1980, Chapter 394, Sections 1(1), 5, 6, 7, 8, 9 and 11.

HJR 52, A JOINT RESOLUTION directing the Legislative Research Commission to create a select committee to study the establishment of the William G. Kenton Center for Governmental and Political Studies.

WHEREAS, William Gordon Kenton, Speaker of the Kentucky House of Representatives 1976-81 was from earliest childhood a student of government and politics; and

WHEREAS, Speaker Kenton fully realized the art of politics, properly applied, improved government and thereby substantially and postively benefited the lives of our citizens; and

WHEREAS, Speaker Kenton a dedicated public servant, whose vision and comprehension encompassed the functioning and role of government at all levels, recognized the need for technical, academic, research and advisory assistance to government and its officials at all levels; and

WHEREAS, it was Speaker Kenton's strong belief that trained, informed and properly assisted public officials are not only desirable but necessary to our continuing governmental processes;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission establish a select committee to study the creation of a William G. Kenton Center for Governmental and Political Studies.

Section 2. Membership of the committee shall comprise the following: two members of the House of Representatives, recommended by the Speaker; two members of the Senate, recommended by the President Pro Tem; one member recommended by the Governor; one member recommended by the Council on Higher Education; and three additional members appointed by the Legislative Research Commission.

Section 3. The committee shall determine the ways and means of the establishment of a William G. Kenton Center for Governmental and Political Studies, including but not limited to, those to be served, the scope of its activities, location and financing, and report its findings and recommendations to the Legislative Research Commission not later than July 1, 1983.

Section 4. Staff services to be utilized by the committee are estimated to cost $12,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

HJR 69, A JOINT RESOLUTION establishing a Commonwealth Council to study the roles and functional and financial responsibilities of the various governmental jurisdictions or of the private sector.

WHEREAS, the General Assembly has received many worthwhile appeals for state assumption or enlarged assistance for services and activities which have been the traditional or primary functions of the national or local governments; and

WHEREAS, government has assumed roles and responsibilities which individuals, the family and the private sector have relinquished to the public realm; and

WHEREAS, the productive resources of the Commonwealth and its local jurisdictions are strained to meet the growing needs of its citizens; and

WHEREAS, the national government has embarked upon a course and policy of reduced domestic spending for services and activities vital to the citizens and communities of the Commonwealth; and

WHEREAS, a fundamental objective and purpose of a society should obtain the most efficient and equitable application of scarce resources to remedy critical needs and conditions;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby established a Commonwealth Council to study the roles and functional and financial responsibilities of the various governmental jurisdictions or of the private sector and individuals for the 1982-90 period.

Section 2. That the purposes of the Commonwealth Council shall be to:

(1) Examine and delineate the proper roles, functions, activities and primary and exclusive fiscal responsibilities of governmental jurisdictions in the Commonwealth, 1982-90, and identify the criteria and responsibilities to be assumed by government, private sector and individuals;

(2) Review and propose stable and productive sources of revenues consistent with functional and fiscal responsibilities;

(3) Consider, assess and evaluate data concerning social, economic, demographic, cultural and fiscal conditions and trends and their implications;

(4) Plan and convene an Assembly on the Commonwealth, a three (3) day convocation conducted prior to September 1, 1983;

(5) Commission studies and research in areas where necessary to support the purposes of the Assembly and Council;

(6) Consider, adopt or modify reports, actions and recommendations from panels and action plans to be incorporated into the final report of the Council;

(7) Report and transmit findings, conclusions, and recommendations and action plans to Governor, Chief Justice, and General Assembly by October 15, 1983, at which date the Council shall expire.

Section 3. That the membership of the Commonwealth Council shall consist of:

(1) Two (2) resident citizens from each congressional district who shall not be affiliated by contract or membership with any state agency, board or commission subject to provisions of KRS Chapter 12, to be appointed by the Governor;

(2) Two (2) resident citizens from each congressional district who shall not be affiliated by contract or membership with any state agency, board or commission; one (1) citizen from each district to be appointed by the President Pro Tem of the Senate, and one (1) citizen from each district to be appointed by the Speaker of the House;

(3) Two (2) resident citizens from each Supreme Court electoral district, only one (1) of whom may be a member of the bar, to be appointed by the Chief Justice of the Supreme Court;

(4) Governor, Lieutenant Governor, State Treasurer, State Auditor, Secretary of State, Commissioner of Agriculture, Attorney General and Superintendent of Public Instruction;

(5) President Pro Tem of the Senate, Assistant President Pro Tem of the Senate, Majority and Minority Floor Leaders of the Senate, Speaker of the House, Speaker Pro Tem of the House, Majority and Minority Floor Leaders of the House;

(6) Chief Justice of the Supreme Court;

(7) Four (4) former Justices of the Supreme Court or Court of Appeals to be appointed by the Chief Justice; and

(8) Two (2) members of Area Development District Boards to be selected by such boards.

Section 4. That the Commonwealth Council shall:

(1) Elect the following officers to conduct meetings: chairman, three (3) vice chairmen and a secretary;

(2) Conduct three (3) planning sessions (two (2) days each) and assembly;

(3) Establish not more than six (6) function/issues panels for detailed planning, investigations and study and determining and submitting recommendations on actions and from Council members appoint panel members;

(4) Receive panel reports and discuss and adopt, by majority vote, findings and such related actions which shall be documented in the final report of the Council;

(5) Utilize, to the fullest practical extent, existing staff and data resources furnished by cooperating agencies and organizations.

Section 5. That the function/issues panels shall operate as follows:

(1) Majority of panel members must approve studies and reports;

(2) Panels should meet in concurrence with Council planning meets;

(3) Utilize, to the fullest practical extent, existing staff and data resources furnished by cooperating agencies and organizations.

Section 6. That the Commonwealth Council shall have an executive committee.

(1) The executive committee shall be composed of:

(a) Three (3) members from each category of appointments in Section 3, subsections (1), (2) and (3) of this resolution, to be elected by the council;

(b) One (1) senior executive official from the executive branch, to be appointed by the Governor;

(c) One (1) senior administrative official from the Court of Justice, to be appointed by the Chief Justice;

(d) One (1) senior administrative official from the Legislative Research Commission staff, to be appointed jointly by the President Pro Tem of the Senate and the Speaker of the House; and

(e) Secretary of the State Planning Committee.

(2) The functions of the executive committee shall be:

(a) To implement, direct, authorize and plan necessary actions by the council, assembly, and panels;

(b) To supervise and direct administrative operations;

(c) To employ temporary staff and provide for administrative support.

Section 7. That public officials and state agencies shall cooperate with the Council as follows:

(1) Each cabinet secretary, agency head, and president of a state public institution of higher education upon request of the Executive Committee, shall designate a liaison official, shall cooperate and assist the Council and its bodies, and provide such records, data and other assistance as may be required to fulfill the purposes and mission of the Council.

(2) Officials of local governmental jurisdictions, individuals, institutions and associations are encouraged, requested and invited to cooperate and assist the Council and its bodies in the fulfillment of its mission.

(3) The Urban Studies Center shall provide such records, data and assistance as may be reasonably requested.

Section 8. That there is hereby allocated the maximum sum of four hundred thousand dollars ($400,000) from the state planning fund appropriation for the 1982-84 fiscal biennium.

(1) This sum shall be allotted, as needed, to a general fund account established for this purpose by the secretary of finance and expended, as needed, in accordance with state laws and regulations.

(2) Funds and expenditures for operations and activities of the Council and its bodies shall be received and expended at the authorization of the Executive Committee, or its designated officer, in accordance with state laws and regulations.

(3) The Council and its bodies are authorized to accept and expend funds from non-governmental sources which shall be credited and allotted to a trust and agency account for expenditures pursuant to this resolution.

(4) Unexpended allotments shall lapse to the credit of general fund surplus.

(5) All members of the Council and its bodies employed by state government agencies shall be reimbursed actual and necessary expenses which shall be paid from regular appropriations to the agencies in accordance with applicable state laws and regulations.

(6) All members of the Council and its bodies not employed by state agencies shall be reimbursed actual and necessary expenses which shall be paid from funds allotted to the Council in accordance with applicable state laws and regulations.

(7) The operations of the Council and its bodies shall be subject to provisions of KRS Chapter 45.

Section 9. That the Council and its bodies shall expire on October 15, 1983, or sooner upon completion and issuance of its final report and all records shall come under the jurisdiction of the secretary of the state planning committee upon expiration of the Council.

The Committee onHealth and Welfare reported **HB 531,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 531, AN ACT relating to the department for human resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 194.030 is amended to read as follows:

The department for human resources shall consist of the following major organizational units which are hereby created:

(1) Office of the secretary.

(2) The office for policy and budget. The office for policy and budget shall provide the secretary with professional support in planning, budgeting, and policy analysis, including the appraisal of needs, the formulation of policy and the evaluation of programs. The office for policy and budget shall be headed by an administrator who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050.

(3) The office of the counsel. The office of the counsel shall provide legal advice and assistance to all units of the department in any legal action in which it may be involved. The office of the counsel shall employ all attorneys of the department who serve the department in the capacity of attorney and shall administer all personal service contracts of the department for legal services. The office of the counsel shall be headed by a general counsel who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050 and 12.210. The general counsel shall be the chief legal advisor to the secretary and shall be directly responsible to the secretary. The attorney general, on the request of the secretary, may designate the general counsel as an assistant attorney general in accordance with the provisions of KRS 15.105.

(4) The office of the ombudsman. The office of the ombudsman shall provide a review of citizen complaints on services of the department for human resources when such complaints cannot be resolved through normal administrative remedies. The office of the ombudsman shall be headed by an ombudsman who shall be appointed by the governor with the advice of the secretary. The ombudsman shall be directly responsible to the secretary. *The secretary may authorize the reorganization of the office to comply with requirements imposed or opportunities that may be presented by federal law.*

(5) [~~The office of medical services. The office of medical services shall advise the head of each major organizational unit enumerated in this section on policies, plans and programs relating to all matters of public health, including any actions necessary to safeguard the health of the citizens of the Commonwealth. The office of medical services shall be headed by a duly licensed physician who shall be appointed by the secretary with the approval of the governor and who shall be the chief medical officer of the Commonwealth. He shall perform his duties under the direction of the secretary and shall fulfill such responsibilities as delegated by the secretary.~~

~~(6)~~] The office of administrative services. The office of administrative services shall be responsible for providing administrative support services within the department for human resources. All fiscal, facility and information management functions of the department shall be vested in the office of administrative services. The office of administrative services shall be headed by an executive director who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The executive director shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The executive director shall exercise authority over the office of administrative services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(6)[~~(7)~~] The bureau for social insurance. The bureau for social insurance shall develop and operate all programs of the department that provide income maintenance or income supplementation services and all social insurance benefit programs. The bureau for social insurance shall also be responsible for all eligibility

determination and certification functions associated with these programs. The bureau for social insurance shall be headed by a commissioner for social insurance who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for social insurance shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for social insurance shall exercise authority over the bureau for social insurance under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(7)[~~(8)~~] The bureau for health services. The bureau for health services shall develop and operate all programs of the department that provide health and mental health services and all programs for the prevention, detection, care, and treatment of physical and mental disability, illness, and disease. The bureau for health services shall be headed by a commissioner for health services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for health services shall be a *duly licensed physician* [~~person~~] who by experience and training in administration and management is qualified to perform the duties of this office. *The commissioner shall advise the head of each major organizational unit enumerated in this section on policies, plans and programs relating to all matters of public health, including any actions necessary to safeguard the health of the citizens of the Commonwealth. The commissioner shall serve as chief medical officer of the Commonwealth.* The commissioner for health services shall exercise authority over the bureau for health services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(8)[~~(9)~~] The bureau for social services. The bureau for social services shall develop and operate all social service programs of the department. The bureau for social services shall be headed by a commissioner for social services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for social services shall be a person who by education, professional qualification, training, and experience in the administration and management of social service programs is qualified to perform the duties of this office. The commissioner for social services shall exercise authority over the bureau for social services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(9)[~~(10)~~] The bureau for manpower services. The bureau for manpower services shall develop and operate all manpower development and placement programs including all job recruitment and business liaison functions, employability development and training programs, and all job counseling and job placement programs of the department. The bureau for manpower services shall be headed by a commissioner for manpower services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for manpower services shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for manpower services shall exercise authority over the bureau for manpower services under the direction of the secretary and shall fulfill only such responsibilities as delegated by the secretary.

(10)[~~(11)~~] The office of the inspector general. The office of the inspector general shall be responsible for: (a) the conduct of audits and investigations for detecting the perpetration of fraud or abuse of any program by any client, or by any vendor of services with whom the department has contracted; (b) such licensing and regulatory functions as the secretary may delegate; and (c) the notification and forwarding of any information relevant to possible criminal violations to the appropriate prosecuting authority. The office of the inspector general shall be headed by an inspector general who shall be appointed by the secretary with the approval of the governor. The inspector general shall be directly responsible to the secretary.

Section 2. KRS 194.040 is amended to read as follows:

(1) The secretary shall, subject to the provisions of KRS chapter 12, establish the internal organization of the offices and bureaus not established in 1974 Acts ch. 74, Art. VI, and shall organize the department into such offices, divisions, *regions, districts,* and other administrative units as the secretary deems necessary to perform the functions, exercise the powers, and fulfill the duties of the department.

(2) The secretary shall have any and all necessary powers and authority subject to appropriate provisions of the statutes to create such positions and employ the necessary personnel in such positions to enable the department to fulfill all functions assigned to it. The secretary shall designate a person to act as deputy for him in the exercise of his duties in his absence.

(3) The secretary shall with the approval of the governor elect coverage for employes of the department under the unemployment insurance law when required by federal law.

Section 3. KRS 194.050 is amended to read as follows:

(1) The Secretary shall formulate, promote, establish and execute policies, plans, and programs and shall adopt, administer, and enforce throughout the state of Kentucky all applicable state laws and all rules and regulations necessary in accordance with applicable state laws to protect, develop and maintain the health, welfare, personal dignity, integrity and sufficiency of the individual citizens of the Commonwealth and necessary to operate the programs and fulfill the responsibilities vested in the Department for Human Resources. The Secretary shall adopt, administer and enforce such rules and regulations as are necessary to

implement programs mandated by federal law, or to qualify for the receipt of federal funds and as are necessary to cooperate with other state and federal agencies for the proper administration of the Department and its programs.

(2) The Secretary shall utilize the Citizens' Commission for Human Resources, the Institute for Aging, the Institute for Children, the Council for Manpower Services, the Council for Social Services, the Council for Health Services, or the Council for Social Insurance to review and make recommendations on contemplated administrative regulations. The appropriate citizens' council or councils shall be involved in the development of all administrative regulations issued under the authority of the Department. No administrative regulations issued under the authority of the Department shall be filed with the Legislative Research Commission unless issued under the authority of the Secretary and the Secretary shall not delegate this authority. All administrative regulations prepared within the Department shall be attested as to form and legality by the Office of the Counsel.

(3) Except as otherwise provided by law, the secretary shall have authority to establish by regulation a schedule of reasonable fees, none of which shall exceed one hundred dollars ($100), to cover the costs of inspection and surveillance of efforts toward compliance with programs administered by the department for human resources. All fees collected for inspections and surveillance shall be deposited in the state treasury and credited to a revolving fund account to be used for administration of those programs of the department for human resources.

Section 4. KRS 199.640 is amended to read as follows:

(1) No person, association or organization shall conduct, operate or maintain any child-caring facility or child-placing agency without having a license to do so issued by the department.

(2) Licenses issued to the agency or facility shall be valid *for a period of one (1) year from date of issue unless* [~~until~~] revoked by the department provided that each licensed facility or agency shall be visited and inspected by a person authorized by the department at least once each year and a complete report of such visit or inspection be filed with the department. Each license issued shall specify the type of care or service the licensee is authorized to perform. *Each initial application for a license shall be accompanied by a fee of one hundred dollars ($100) and shall, except for provisional licenses, be renewable annually upon expiration and reapplication when accompanied by a fee of fifty dollars ($50.00). The fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section.*

(3) The secretary may adopt regulations establishing standards of care and service for child-caring facilities and child-placing agencies relating to the sanitary and hygienic conditions, the accommodations available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies and facilities,

(4)[~~(3)~~] Each agency or facility licensed under this section shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or foster care, together with the names, occupation and residence of the persons with whom the child is placed;

(d) The date and cause of termination of its custody of each child; and

(e) A brief history of each child until he shall have reached the age of eighteen years or shall have been adopted or discharged according to the law.

(5)[~~(4)~~] Parents are received or boarded in a family rehabilitation home pursuant to a written agreement between home and parent.

(6)[~~(5)~~] All records regarding children or facts learned about children and their parents and relatives by any licensed agency or facility shall be deemed confidential in the same manner and subject to the same provisions as similar records of the department. The information thus obtained shall not be published or be open for public inspection except to authorized employes of the department or of such licensed agency or facility in performance of their duties.

Section 5. KRS 199.896 is amended to read as follows:

(1) No person, association or organization shall conduct, operate, maintain or advertise any day-care center or home without obtaining a license as provided in KRS 199.892 to 199.896.

(2) The secretary may adopt regulations relating to license fees and may establish standards of care and service for the day-care center and procedures for enforcement of penalties.

(3) If the day-care center does not meet the standards prescribed for licensing by the secretary, a provisional license may be issued and remain in effect for a period of six (6) months.

(4) Each initial application for a license shall be made to the department and shall be accompanied by a fee of not more than *fifty dollars ($50.00)* [~~thirty-five dollars ($35.00)~~] and shall, excepting provisional licenses, be renewable *annually* upon expiration and reapplication when accompanied by a fee of *twenty-five dollars ($25.00)* [~~not more than ten dollars ($10.00)~~]. Regular licenses and renewals thereof shall expire one (1) year from their effective date.

(5) No day-care center shall be refused a license or have its license revoked for failure to meet standards set by the secretary until after the expiration of a period not to exceed six (6) months from the date of the first official notice that the standards have not been met.

(6) All fees collected under the provisions of KRS 199.892 to 199.896 shall be paid into the state treasury and credited to a special fund for the purpose of administering KRS 199.892 to 199.896 including the payment of expenses of and to the participants in child-care workshops. Such funds collected are hereby appropriated for the use of the department.

(7) Any advertisement for child care services shall include the address of where the service is being provided.

(8) All inspections of licensed and unlicensed day care centers and homes by the department for human resources shall be unannounced.

Section 6. KRS 210.620 is amended to read as follows:

The department for human resources shall:

(1) Establish guidelines and provide for the systematic evaluation of the effectiveness of DATE centers.

(2) Classify drug abuse programs according to character and range of services provided. Whenever it deems distinctions in its standards, rules and regulations to be appropriate as among different classes of DATE centers, it may make such distinctions.

(3) Issue permits for operation of DATE centers. Such permits shall specify the services or class of services authorized, based upon the department's evaluation of the capability of the applicant center to carry out such services in a manner which protects the public health and safety. The department shall establish such standards for operations of DATE centers, or any class thereof, as it finds necessary.

(4) Applications for a permit to operate a DATE center shall be accompanied by a fee of one hundred dollars ($100) and shall, excepting conditional permits, be renewable annually upon expiration and reapplication when accompanied by a renewal fee of twenty-five dollars ($25.00). All such fees shall be deposited in the state treasury and credited to a revolving fund account to be used by the department in carrying out the provisions of KRS 210.620 to 210.680.

Section 7. KRS 210.720 is amended to read as follows:

(1) Every patient admitted to a facility operated or utilized by the department, except prisoners transferred pursuant to KRS 202A.190, shall be charged for their board, maintenance and treatment pursuant to this section and the department may sue *in the Franklin circuit court or Franklin district court* to recover from the patient or person responsible for the patient for liability as established by this section.

(2) The secretary shall fix the patient cost per day for board, maintenance and treatment for each facility operated by the department at frequent intervals which shall be the uniform charge for all persons receiving such services.

(3) The liability of any patient, or person responsible for the patient, for payment of the charge for board, maintenance and treatment shall be based upon ability to pay by ascertaining the entire financial resources available to the patient, or to the person responsible for the patient, and shall include, but shall not be limited to: insurance, all third party coverage including medicare and medicaid and other governmental programs, cash, stocks, bonds, and all other property owned by the patient or controlled by the person responsible for the patient. The secretary shall establish a reasonable means test for determining payment liability of patients and persons responsible for patients. In no event shall liability be in excess of the cost patient per day established by the secretary.

(4) Nothing in KRS 210.710 to 210.760 shall be construed to limit any liability of insurance companies or other third party payors including medicare and medicaid and other governmental programs.

Section 8. KRS 210.730 is amended to read as follows:

The following shall be exempt from liability for patient's board, maintenance and treatment charges:

(1) Any parents' liability for charges for board, maintenance and treatment at facilities operated or utilized by the department that exceed the cost of caring for a normal child at home as determined from standard sources by the department;

(2) Any parents' liability after the patient has attained the age of eighteen (18);

(3) A homestead[~~;~~

~~(4) Any inheritance, gift or trust benefits received subsequent to the accrual of liability~~].

Section 9. KRS 211.180 is amended to read as follows:

The department shall enforce the rules and regulations adopted by the secretary for human resources for the regulation and control of the matters set out below and shall formulate, promote, establish and execute policies, plans and programs relating to all matters of public health, including but not limited to the following matters:

(1) Detection, prevention, and control of communicable diseases, chronic and degenerative diseases, dental diseases and abnormalities, occupational diseases and health hazards peculiar to industry, home accidents and health hazards, animal diseases which are transmissible to man, and such other diseases and health hazards as may be controlled;

(2) The control of insects, rodents and other vectors of disease; the safe handling of food and food products; the safety of cosmetics; the control of narcotics, barbiturates and other drugs as provided by law; the sanitation of schools, industrial establishments and other public and semipublic buildings; the sanitation of state and county fairs and other similar public gatherings; the sanitation of public and semipublic recreational areas; the sanitation of public rest rooms, trailer courts, hotels, tourist courts, and other establishments furnishing public sleeping accommodations; the review, approval or disapproval of plans for construction, modification or extension of equipment related to food-handling in food-handling establishments; the licensure of hospitals; and the control of such other factors, not assigned by law to another agency, as may be necessary to insure a safe and sanitary environment;

(3) Protection and improvement of the health of expectant mothers, infants, preschool and school age children;

(4) The practice of midwifery, including the issuance of permits to and supervision of women who practice midwifery;

(5) Protection and improvement of the health of the people through better nutrition;

(6) The secretary shall have authority to establish by regulation a schedule of reasonable fees, not to exceed twenty dollars ($20.00) per inspector hour plus travel costs pursuant to state regulations for travel reimbursement, to cover the costs of inspection and surveillance of manufacturers, retailers and distributors of consumer products as defined in the federal consumer product safety act (title 15 U.S.C. Sec. 2051 et seq.; 86 stat. 1207 et seq. or amendments thereto), and of youth camps for the purpose of determining compliance with the provisions of this section and the regulations adopted by the secretary pursuant thereto. Fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section.

Section 10. KRS 217.015 is amended to read as follows:

For the purpose of KRS 217.005 to 217.215:

(1) The term "secretary" means the secretary for human resources;

(2) The term "department" means the department for human resources *or its designee*;

(3) The term "person" includes individual, partnership, corporation, and association;

(4) The term "food" means:

(a) Articles used for food or drink for man or other animals;

(b) Chewing gum; and

(c) Articles used for components of any such article;

(5) The term "drug" means:

(a) Articles recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them; and

(b) Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals; and

(c) Articles (other than food) intended to affect the structure or any function of the body of man or other animals; and

(d) Articles intended for use as a component of any article specified in this subsection but does not include devices or their components, parts, or accessories;

(6) The term "device" (except when used in subsection (12) of this section and in subsection (10) of KRS 217.175, subsection (6) of KRS 217.035, subsection (3) of KRS 217.065, and subsection (3) of KRS 217.095) means instruments, apparatus and contrivances, including their components, parts and accessories, intended:

(a) For use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or

(b) To affect the structure or any function of the body of man or other animals;

(7) The term "cosmetic" means:

(a) Articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(b) Articles intended for use as a component of any such articles, except that such term shall not include soap;

(8) The term "official compendium" means the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, official national formulary, or any supplement to any of them;

(9) The term "label" means a display of written, printed or graphic matter upon the immediate container of any article; and a requirement made by or under authority of KRS 217.005 to 217.215 that any word, statement, or other information appearing on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper;

(10) The term "immediate container" does not include package liners;

(11) The term "labeling" means all labels and other written, printed or graphic matter:

(a) Upon an article or any of its containers or wrappers; or

(b) Accompanying such article;

(12) If an article is alleged to be misbranded because the labeling is misleading, or if an advertisement is alleged to be false because it is misleading, then in determining whether the labeling or advertisement is misleading, there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, sound, or in any combination thereof, but also the extent to which the labeling or advertisement fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which the labeling or advertisement relates under the conditions of use prescribed in the labeling or advertisement thereof or under such conditions of use as are customary or usual;

(13) The term "advertisement" means all representations disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics;

(14) The representation of a drug, in its labeling or advertisement, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body;

(15) The term "new drug" means:

(a) Any drug the composition of which is such that such drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety of drugs, as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

(b) Any drug the composition of which is such that such drug, as a result of investigations to determine its safety for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions;

(16) The term "contaminated with filth" applies to any food, drug, device, or cosmetic not securely protected from dust, dirt, and as far as may be necessary by all reasonable means, from all foreign or injurious contaminations;

(17) The provisions of KRS 217.005 to 217.215 regarding the selling of food, drugs, devices, or cosmetics, shall be considered to include the manufacture, production, processing, packing, exposure, offer, possession, and holding of any such article for sale; and the sale, dispensing, and giving of any such article, and the supplying or applying of any such articles in the conduct of any food, drug, or cosmetic establishment;

(18) The term "federal act" means the federal food, drug and cosmetic act; (title 21 U.S.C. Sec. 301 et seq.; 52 stat. 1040 et seq. or amendments thereto);

(19) The term "flour" includes and shall be limited to the foods, commonly known as flour, white flour, wheat flour, plain flour, bromated flour, self-rising flour, self-rising white flour, self-rising wheat flour, phosphated flour, phosphated white flour, and phosphated wheat flour, defined under the federal act;

(20) The term "enriched" as applied to flour, means the addition to flour of vitamins and other nutritional ingredients necessary to make it conform to the definition and standard of "enriched" flour as defined under the federal act;

(21) The terms "bread" and "enriched bread" include, and shall be limited to, the foods commonly known and described as "white bread," "white rolls," "white buns," "enriched white bread," "enriched rolls," and "enriched white buns," as defined under the federal act;

(22) The term "filled milk" means any milk, cream or skimmed milk, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, except the fat or oil of contained eggs and nuts and the fat or oil of substances used for flavoring purposes only, so that the resulting product is an imitation or semblance of milk, cream, skimmed milk, ice cream mix, ice cream, or frozen desserts, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, whether in bulk or in containers, hermetically sealed or unsealed. This definition does not mean or include any milk or cream from which no part of the milk or butter fat has been extracted, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added any substance rich in vitamins, nor any distinctive proprietary food compound not readily mistaken for milk or cream or for condensed, evaporated, concentrated, powdered, dried, or desiccated milk or cream, if such compound is prepared and designed for the feeding of infants or young children, sick or infirm persons, and customarily used on the order of a physician, and is packed in individual containers bearing a label in bold type that the contents are to be used for those purposes; nor shall this definition prevent the use, blending or compounding of chocolate as a flavor with milk, cream or skimmed milk, desiccated, whether in bulk or in containers, hermetically sealed or unsealed, to or with which has been added, blended or compounded no other fat or oil other than milk or butter fat;

(23) The term "practitioner" means medical or osteopathic physicians, dentists, chiropodists, and veterinarians who are licensed under the professional licensing laws of Kentucky to prescribe and administer drugs and devices, it shall also include optometrists when administering the diagnostic pharmaceutical agents authorized in subsections (13) and (14) of KRS 320.240;

(24) The term "prescription" means a written or oral order for a drug or medicine, or combination or mixture of drugs or medicines, or proprietary preparation, signed or given or authorized by a medical, dental, chiropody or veterinarian practitioner, and intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals;

(25) The term "federal meat inspection act" means the federal meat inspection act; (title 21 U.S.C. Sec. 71 et seq.; 34 stat. 1260 et seq. including any amendments thereto);

(26) The term "federal poultry products inspection act" means the federal poultry and poultry products inspection act. (Title 21 U.S.C. Sec. 451 et seq.; public law 85-172; 71 stat. 441 including any amendments thereto);

(27) The term "fair packaging and labeling act" means the fair packaging and labeling act as it relates to foods and cosmetics, (15 U.S.C. Sec. 1451, et seq.) and all amendments thereto;

(28) The term "pesticide chemical" means any substance which, alone, in chemical combination, or in formulation with one or more other substances is an "economic poison" within the meaning of the federal insecticide, fungicide and rodenticide act and subsequent amendments thereto, and which is used in the production, storage, or transportation of raw agricultural commodities;

(29) The term "raw agricultural commodity" means any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing;

(30) The term "food additive" means any substance, the intended use of which results or may be reasonably expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any food (including any substance intended for use in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding food; and including any source of radiation intended for any such use) if such substance is not generally recognized, among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures (or, in the case of a substance used in a food prior to January 1, 1958, through either scientific procedures or experience based on common use in food) to be safe under the conditions of its intended use; except that such term does not include:

(a) A pesticide chemical in or on a raw agricultural commodity; or

(b) A pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity; or

(c) A color additive; or

(d) Any substance used in accordance with a sanction or approval granted prior to the enactment of the food additives amendment of 1958, pursuant to the federal act; the poultry products inspection act (21 U.S.C. Sec. 451 et seq.) or the meat inspection act of 1907 and subsequent amendments thereto;

(31) (a) The term "color additive" means a material which:

1. Is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source; or

2. When added or applied to a food, drug, or cosmetic, or to the human body or any part thereof, is capable (alone or through reaction with other substance) of imparting color thereto; except that such term does not include any material which has been or hereafter is exempted under the federal act;

(b) The term "color" includes, but is not limited to black, white and intermediate grays;

(c) Nothing in paragraph (a)1. of this subsection shall be construed to apply to any pesticide chemical, soil or plant nutrient, or other agricultural chemical solely because of its effect in aiding, retarding, or otherwise affecting, directly or indirectly the growth or other natural physiological process of produce of the soil and thereby affecting its color, whether before or after harvest.

(32) The term "federal environmental pesticide control act of 1972" means the federal environmental pesticide control act of 1972 (Public Law 92-516) and all amendments thereto;

(33) "Salvage distributor" means a person who engages in the business of distributing, peddling, or otherwise trafficking in any salvaged merchandise;

(34) "Salvage processing plant" means an establishment operated by a person engaged in the business of reconditioning, labeling, relabeling, repackaging, recoopering, sorting, cleaning, culling or who by other means salvages, sells, offers for sale, or distributes for human or animal consumption or use any salvaged food, beverage, including beer, wine and distilled spirits, vitamins, food supplements, dentrifices, cosmetics, single-service food containers or utensils, containers and packaging materials used for foods and cosmetics, soda straws, paper napkins, or any other product of a similar nature that has been damaged or contaminated by fire, water, smoke, chemicals, transit, or by any other means.

Section 11. KRS 217.125 is amended to read as follows:

(1) The authority to promulgate regulations for the efficient administration and enforcement of KRS 217.005 to 217.215 is hereby vested in the secretary. The secretary may make the regulations promulgated under KRS 217.005 to 217.215 consistent with those promulgated under the federal act and the fair packaging and labeling act. Regulations promulgated may require permits to operate and include provisions for regulating the issuance, suspension, and reinstatement of permits.

(2) The secretary shall have authority to establish by regulation a schedule of reasonable fees, not to exceed twenty dollars ($20.00) per inspector hour plus travel costs pursuant to state regulations for travel reimbursement, to cover the costs of inspections and surveillance of food manufacturing plants, food storage warehouses, retail food markets, salvage distributors and salvage processing plants for the purpose of determining compliance with the requirements of KRS 217.025 to 217.390. Fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for use by the department in carrying out the provisions of KRS 217.025 to 217.390 and the regulations adopted by the secretary pursuant thereto.

Section 12. KRS 217.811 is amended to read as follows:

Each application for permit to operate a vending machine company shall be accompanied by a fee of ten dollars ($10) for each vending machine commissary plus a fee for the total number of vending machines operated by the applicant, as follows;

1 - 25 machines	fee *$50.00* [~~$ 10.00~~]
26 - 50 machines	fee *$75.00* [~~$ 35.00~~]
51 - 100 machines	fee *$100.00* [~~$ 75.00~~]
101 - 150 machines	fee *$125.00* [~~$100.00~~]
151 and over machines	fee *$200.00* [~~$150.00~~]

Provided, that vending machines dispensing only bottled or canned soft drinks; prepackaged non-potentially hazardous food; chewing gum, nuts and/or candies shall be exempt from the permit and fee requirements of KRS 217.808 to 217.812.

Section 13. KRS 219.011 is amended to read as follows:

As used in KRS 219.011 to 219.081:

(1) "Secretary" means the secretary for human resources.

(2) "Department" means the department for human resources *or its designee.*

(3) "Food service establishment" means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants; coffee shops; cafeterias; short order cafes; luncheonettes; grills; tea rooms; sandwich shops; soda fountains; taverns; bars; cocktail lounges; nightclubs; roadside stands; industrial feeding establishments; private, public or non-profit organizations or institutions routinely serving food; catering kitchens; commissaries; or similar places in which food is prepared for sale or service on the premises or elsewhere with or without charge. It does not include food vending machines, [~~or~~] establishments serving beverages only in single service or original containers *or retail food markets which only cut, slice, and prepare cold-cut sandwiches for individual consumption.*

(4) "Hotel" means every building or structure kept, used, maintained, advertised, or held out to the public as a place where sleeping accommodations are furnished to the public, and includes motels, tourist homes and similar establishments, but excludes boarding houses and rooming houses.

(5) "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a hotel or a food service establishment.

Section 14. KRS 219.340 is amended to read as follows:

(1) Upon receipt of an application for a permit to operate, accompanied by the required permit fee of *seventy-five dollars ($75.00)* [~~twenty-five dollars ($25.00)~~], the department shall issue a permit, provided the park meets the standards and requirements of KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(2) Each permit to operate, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually, upon application and payment of a *seventy-five dollar ($75.00)* [~~twenty-five dollar ($25.00)~~] renewal fee, provided the park is maintained and operated in compliance with KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(3) Each permit to operate shall be issued only for the person and premises, including number of spaces, named in the application and shall not be transferable.

(4) The person holding an operating permit shall post it conspicuously within the park or have it readily available for examination upon request by agents of the department or prospective park occupants.

Section 15. KRS 333.070 is amended to read as follows:

A medical laboratory license shall be valid for the calendar year for which it is issued. The initial application fee for a license *shall be one hundred dollars ($100). The license shall be renewable upon expiration and reapplication accompanied by* [~~and~~] the annual renewal fee *to* [~~shall~~] be paid according to the reasonable fee schedule established by regulations of the secretary; provided, however, that no fee shall exceed

$25.00. *Fees collected by the secretary are to be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of KRS Chapter 333.*

Section 16. KRS 406.051 is amended to read as follows:

The district court has jurisdiction of an action brought under this chapter and all remedies for the enforcement of judgments for expenses of pregnancy and confinement for a *mother* [~~wife~~] or for education, necessary support or funeral expenses for [~~illegitimate~~] children *born out of wedlock*. An appeal may be had to the circuit court if prosecuted *pursuant to the rules of civil procedure* [~~within sixty days from the date of judgment~~]. The court has continuing jurisdiction to modify or revoke a judgment for *the child's* future *support and* education. All remedies under the uniform reciprocal enforcement of support act are available for enforcement of duties of support under this chapter.

Section 17. KRS 210.272, purchasing treatment for patients — recovery of charges; and 210.740, Payment of charges by inter vivos trust where inheritance in excess of exemptions, are repealed.

Committee Substitute to **HB 531** is as follows:

HB 531, AN ACT relating to the department for human resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 194.030 is amended to read as follows:

The department for human resources shall consist of the following major organizational units which are hereby created:

(1) Office of the secretary.

(2) The office for policy and budget. The office for policy and budget shall provide the secretary with professional support in planning, budgeting, and policy analysis, including the appraisal of needs, the formulation of policy and the evaluation of programs. The office for policy and budget shall be headed by an administrator who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050.

(3) The office of the counsel. The office of the counsel shall provide legal advice and assistance to all units of the department in any legal action in which it may be involved. The office of the counsel shall employ all attorneys of the department who serve the department in the capacity of attorney and shall administer all personal service contracts of the department for legal services. The office of the counsel shall be headed by a general counsel who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050 and 12.210. The general counsel shall be the chief legal advisor to the secretary and shall be directly responsible to the secretary. The attorney general, on the request of the secretary, may designate the general counsel as an assistant attorney general in accordance with the provisions of KRS 15.105.

(4) The office of the ombudsman. The office of the ombudsman shall provide a review of citizen complaints on services of the department for human resources when such complaints cannot be resolved through normal administrative remedies. The office of the ombudsman shall be headed by an ombudsman who shall be appointed by the governor with the advice of the secretary. The ombudsman shall be directly responsible to the secretary.

(5) [~~The office of medical services. The office of medical services shall advise the head of each major organizational unit enumerated in this section on policies, plans and programs relating to all matters of public health, including any actions necessary to safeguard the health of the citizens of the Commonwealth. The office of medical services shall be headed by a duly licensed physician who shall be appointed by the secretary with the approval of the governor and who shall be the chief medical officer of the Commonwealth. He shall perform his duties under the direction of the secretary and shall fulfill such responsibilities as delegated by the secretary.~~

~~(6)~~] The office of administrative services. The office of administrative services shall be responsible for providing administrative support services within the department for human resources. All fiscal, facility and information management functions of the department shall be vested in the office of administrative services. The office of administrative services shall be headed by an executive director who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The executive director shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The executive director shall exercise authority over the office of administrative services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(6)[~~(7)~~] The bureau for social insurance. The bureau for social insurance shall develop and operate all programs of the department that provide income maintenance or income supplementation services and all

social insurance benefit programs. The bureau for social insurance shall also be responsible for all eligibility determination and certification functions associated with these programs. The bureau for social insurance shall be headed by a commissioner for social insurance who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for social insurance shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for social insurance shall exercise authority over the bureau for social insurance under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(7)[~~(8)~~] The bureau for health services. The bureau for health services shall develop and operate all programs of the department that provide health and mental health services and all programs for the prevention, detection, care, and treatment of physical and mental disability, illness, and disease. The bureau for health services shall be headed by a commissioner for health services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for health services shall be a *duly licensed physician* [~~person~~] who by experience and training in administration and management is qualified to perform the duties of this office. *The commissioner shall advise the head of each major organizational unit enumerated in this section on policies, plans and programs relating to all matters of public health, including any actions necessary to safeguard the health of the citizens of the Commonwealth. The commissioner shall serve as chief medical officer of the Commonwealth.* The commissioner for health services shall exercise authority over the bureau for health services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(8)[~~(9)~~] The bureau for social services. The bureau for social services shall develop and operate all social service programs of the department. The bureau for social services shall be headed by a commissioner for social services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for social services shall be a person who by education, professional qualification, training, and experience in the administration and management of social service programs is qualified to perform the duties of this office. The commissioner for social services shall exercise authority over the bureau for social services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary.

(9)[~~(10)~~] The bureau for manpower services. The bureau for manpower services shall develop and operate all manpower development and placement programs including all job recruitment and business liaison functions, employability development and training programs, and all job counseling and job placement programs of the department. The bureau for manpower services shall be headed by a commissioner for manpower services who shall be appointed by the secretary with the approval of the governor in accordance with KRS 12.050. The commissioner for manpower services shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for manpower services shall exercise authority over the bureau for manpower services under the direction of the secretary and shall fulfill only such responsibilities as delegated by the secretary.

(10)[~~(11)~~] The office of the inspector general. The office of the inspector general shall be responsible for: (a) the conduct of audits and investigations for detecting the perpetration of fraud or abuse of any program by any client, or by any vendor of services with whom the department has contracted; (b) such licensing and regulatory functions as the secretary may delegate; and (c) the notification and forwarding of any information relevant to possible criminal violations to the appropriate prosecuting authority. The office of the inspector general shall be headed by an inspector general who shall be appointed by the secretary with the approval of the governor. The inspector general shall be directly responsible to the secretary.

Section 2. KRS 194.040 is amended to read as follows:

(1) The secretary shall, subject to the provisions of KRS chapter 12, establish the internal organization of the offices and bureaus not established in 1974 Acts ch. 74, Art. VI, and shall organize the department into such offices, divisions, *regions, districts,* and other administrative units as the secretary deems necessary to perform the functions, exercise the powers, and fulfill the duties of the department.

(2) The secretary shall have any and all necessary powers and authority subject to appropriate provisions of the statutes to create such positions and employ the necessary personnel in such positions to enable the department to fulfill all functions assigned to it. The secretary shall designate a person to act as deputy for him in the exercise of his duties in his absence.

(3) The secretary shall with the approval of the governor elect coverage for employes of the department under the unemployment insurance law when required by federal law.

Section 3. KRS 194.050 is amended to read as follows:

(1) The Secretary shall formulate, promote, establish and execute policies, plans, and programs and shall adopt, administer, and enforce throughout the state of Kentucky all applicable state laws and all rules and regulations necessary in accordance with applicable state laws to protect, develop and maintain the health, welfare, personal dignity, integrity and sufficiency of the individual citizens of the Commonwealth and necessary to operate the programs and fulfill the responsibilities vested in the Department for Human

Resources. The Secretary shall adopt, administer and enforce such rules and regulations as are necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds and as are necessary to cooperate with other state and federal agencies for the proper administration of the Department and its programs.

(2) The Secretary shall utilize the Citizens' Commission for Human Resources, the Institute for Aging, the Institute for Children, the Council for Manpower Services, the Council for Social Services, the Council for Health Services, or the Council for Social Insurance to review and make recommendations on contemplated administrative regulations. The appropriate citizens' council or councils shall be involved in the development of all administrative regulations issued under the authority of the Department. No administrative regulations issued under the authority of the Department shall be filed with the Legislative Research Commission unless issued under the authority of the Secretary and the Secretary shall not delegate this authority. All administrative regulations prepared within the Department shall be attested as to form and legality by the Office of the Counsel.

(3) Except as otherwise provided by law, the secretary shall have authority to establish by regulation a schedule of reasonable fees, none of which shall exceed one hundred dollars ($100), to cover the costs of annual inspections of efforts regarding compliance with program standards administered by the department for human resources. All fees collected for inspections shall be deposited in the state treasury and credited to a revolving fund account to be used for administration of those programs of the department for human resources. The balance of said account shall lapse to the general fund at the end of each biennium.

Section 4. KRS 199.640 is amended to read as follows:

(1) No person, association or organization shall conduct, operate or maintain any child-caring facility or child-placing agency without having a license to do so issued by the department.

(2) Licenses issued to the agency or facility shall be valid *for a period of one (1) year from date of issue unless* [~~until~~] revoked by the department provided that each licensed facility or agency shall be visited and inspected by a person authorized by the department at least once each year and a complete report of such visit or inspection be filed with the department. Each license issued shall specify the type of care or service the licensee is authorized to perform. *Each initial application for a license shall be accompanied by a fee of one hundred dollars ($100) and shall, except for provisional licenses, be renewable annually upon expiration and reapplication when accompanied by a fee of fifty dollars ($50.00). The fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section. The balance of said account shall lapse to the general fund at the end of each biennium.*

(3) The secretary may adopt regulations establishing standards of care and service for child-caring facilities and child-placing agencies relating to the sanitary and hygienic conditions, the accommodations available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies and facilities,

(4)[~~(3)~~] Each agency or facility licensed under this section shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or foster care, together with the names, occupation and residence of the persons with whom the child is placed;

(d) The date and cause of termination of its custody of each child; and

(e) A brief history of each child until he shall have reached the age of eighteen years or shall have been adopted or discharged according to the law.

(5)[~~(4)~~] Parents are received or boarded in a family rehabilitation home pursuant to a written agreement between home and parent.

(6)[~~(5)~~] All records regarding children or facts learned about children and their parents and relatives by any licensed agency or facility shall be deemed confidential in the same manner and subject to the same provisions as similar records of the department. The information thus obtained shall not be published or be open for public inspection except to authorized employes of the department or of such licensed agency or facility in performance of their duties.

Section 5. KRS 199.896 is amended to read as follows:

(1) No person, association or organization shall conduct, operate, maintain or advertise any day-care center or home without obtaining a license as provided in KRS 199.892 to 199.896.

(2) The secretary may adopt regulations relating to license fees and may establish standards of care and service for the day-care center and procedures for enforcement of penalties.

(3) If the day-care center does not meet the standards prescribed for licensing by the secretary, a provisional license may be issued and remain in effect for a period of six (6) months.

(4) Each initial application for a license shall be made to the department and shall be accompanied by a fee of not more than *fifty dollars ($50.00)* [~~thirty-five dollars ($35.00)~~] and shall, excepting provisional

licenses, be renewable *annually* upon expiration and reapplication when accompanied by a fee of *twenty-five dollars ($25.00)* [~~not more than ten dollars ($10.00)~~]. Regular licenses and renewals thereof shall expire one (1) year from their effective date.

(5) No day-care center shall be refused a license or have its license revoked for failure to meet standards set by the secretary until after the expiration of a period not to exceed six (6) months from the date of the first official notice that the standards have not been met.

(6) All fees collected under the provisions of KRS 199.892 to 199.896 shall be paid into the state treasury and credited to a special fund for the purpose of administering KRS 199.892 to 199.896 including the payment of expenses of and to the participants in child-care workshops. Such funds collected are hereby appropriated for the use of the department. *The balance of said special fund shall lapse to the general fund at the end of each biennium.*

(7) Any advertisement for child care services shall include the address of where the service is being provided.

(8) All inspections of licensed and unlicensed day care centers and homes by the department for human resources shall be unannounced.

Section 6. KRS 210.620 is amended to read as follows:

The department for human resources shall:

(1) Establish guidelines and provide for the systematic evaluation of the effectiveness of DATE centers.

(2) Classify drug abuse programs according to character and range of services provided. Whenever it deems distinctions in its standards, rules and regulations to be appropriate as among different classes of DATE centers, it may make such distinctions.

(3) Issue permits for operation of DATE centers. Such permits shall specify the services or class of services authorized, based upon the department's evaluation of the capability of the applicant center to carry out such services in a manner which protects the public health and safety. The department shall establish such standards for operations of DATE centers, or any class thereof, as it finds necessary.

(4) Applications for a permit to operate a DATE center shall be accompanied by a fee of one hundred dollars ($100) and shall, excepting conditional permits, be renewable annually upon expiration and reapplication when accompanied by a renewal fee of fifty dollars ($50.00). All such fees shall be deposited in the state treasury and credited to a revolving fund account to be used by the department in carrying out the provisions of KRS 210.620 to 210.680. The balance of said account shall lapse to the general fund at the end of each biennium.

Section 7. KRS 210.720 is amended to read as follows:

(1) Every patient admitted to a facility operated or utilized by the department, except prisoners transferred pursuant to KRS 202A.190, shall be charged for their board, maintenance and treatment pursuant to this section and the department may sue *in the Franklin circuit court or Franklin district court* to recover from the patient or person responsible for the patient for liability as established by this section.

(2) The secretary shall fix the patient cost per day for board, maintenance and treatment for each facility operated by the department at frequent intervals which shall be the uniform charge for all persons receiving such services.

(3) The liability of any patient, or person responsible for the patient, for payment of the charge for board, maintenance and treatment shall be based upon ability to pay by ascertaining the entire financial resources available to the patient, or to the person responsible for the patient, and shall include, but shall not be limited to: insurance, all third party coverage including medicare and medicaid and other governmental programs, cash, stocks, bonds, and all other property owned by the patient or controlled by the person responsible for the patient. The secretary shall establish a reasonable means test for determining payment liability of patients and persons responsible for patients. In no event shall liability be in excess of the cost patient per day established by the secretary.

(4) Nothing in KRS 210.710 to 210.760 shall be construed to limit any liability of insurance companies or other third party payors including medicare and medicaid and other governmental programs.

Section 8. KRS 210.730 is amended to read as follows:

The following shall be exempt from liability for patient's board, maintenance and treatment charges:

(1) Any parents' liability for charges for board, maintenance and treatment at facilities operated or utilized by the department that exceed the cost of caring for a normal child at home as determined from standard sources by the department;

(2) Any parents' liability after the patient has attained the age of eighteen (18);

(3) A homestead[~~;~~

~~(4) Any inheritance, gift or trust benefits received subsequent to the accrual of liability~~].

Section 9. KRS 211.180 is amended to read as follows:

The department shall enforce the rules and regulations adopted by the secretary for human resources for the regulation and control of the matters set out below and shall formulate, promote, establish and execute policies, plans and programs relating to all matters of public health, including but not limited to the following matters:

(1) Detection, prevention, and control of communicable diseases, chronic and degenerative diseases, dental diseases and abnormalities, occupational diseases and health hazards peculiar to industry, home accidents and health hazards, animal diseases which are transmissible to man, and such other diseases and health hazards as may be controlled;

(2) The control of insects, rodents and other vectors of disease; the safe handling of food and food products; the safety of cosmetics; the control of narcotics, barbiturates and other drugs as provided by law; the sanitation of schools, industrial establishments and other public and semipublic buildings; the sanitation of state and county fairs and other similar public gatherings; the sanitation of public and semipublic recreational areas; the sanitation of public rest rooms, trailer courts, hotels, tourist courts, and other establishments furnishing public sleeping accommodations; the review, approval or disapproval of plans for construction, modification or extension of equipment related to food-handling in food-handling establishments; the licensure of hospitals; and the control of such other factors, not assigned by law to another agency, as may be necessary to insure a safe and sanitary environment;

(3) Protection and improvement of the health of expectant mothers, infants, preschool and school age children;

(4) The practice of midwifery, including the issuance of permits to and supervision of women who practice midwifery;

(5) Protection and improvement of the health of the people through better nutrition;

(6) The secretary shall have authority to establish by regulation a schedule of reasonable fees, not to exceed twenty dollars ($20.00) per inspector hour plus travel costs pursuant to state regulations for travel reimbursement, to cover the costs of inspections of manufacturers, retailers and distributors of consumer products as defined in the federal consumer product safety act (title 15 U.S.C. Sec. 2051 et seq.; 86 stat. 1207 et seq. or amendments thereto), and of youth camps for the purpose of determining compliance with the provisions of this section and the regulations adopted by the secretary pursuant thereto. Fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section. The balance of said account shall lapse to the general fund at the end of each biennium.

Section 10. KRS 217.015 is amended to read as follows:

For the purpose of KRS 217.005 to 217.215:

(1) The term "secretary" means the secretary for human resources;

(2) The term "department" means the department for human resources *or its designee*;

(3) The term "person" includes individual, partnership, corporation, and association;

(4) The term "food" means:

(a) Articles used for food or drink for man or other animals;

(b) Chewing gum; and

(c) Articles used for components of any such article;

(5) The term "drug" means:

(a) Articles recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them; and

(b) Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals; and

(c) Articles (other than food) intended to affect the structure or any function of the body of man or other animals; and

(d) Articles intended for use as a component of any article specified in this subsection but does not include devices or their components, parts, or accessories;

(6) The term "device" (except when used in subsection (12) of this section and in subsection (10) of KRS 217.175, subsection (6) of KRS 217.035, subsection (3) of KRS 217.065, and subsection (3) of KRS 217.095) means instruments, apparatus and contrivances, including their components, parts and accessories, intended:

(a) For use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or

(b) To affect the structure or any function of the body of man or other animals;

(7) The term "cosmetic" means:

(a) Articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(b) Articles intended for use as a component of any such articles, except that such term shall not include soap;

(8) The term "official compendium" means the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, official national formulary, or any supplement to any of them;

(9) The term "label" means a display of written, printed or graphic matter upon the immediate container of any article; and a requirement made by or under authority of KRS 217.005 to 217.215 that any word, statement, or other information appearing on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper;

(10) The term "immediate container" does not include package liners;

(11) The term "labeling" means all labels and other written, printed or graphic matter:

(a) Upon an article or any of its containers or wrappers; or

(b) Accompanying such article;

(12) If an article is alleged to be misbranded because the labeling is misleading, or if an advertisement is alleged to be false because it is misleading, then in determining whether the labeling or advertisement is misleading, there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, sound, or in any combination thereof, but also the extent to which the labeling or advertisement fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which the labeling or advertisement relates under the conditions of use prescribed in the labeling or advertisement thereof or under such conditions of use as are customary or usual;

(13) The term "advertisement" means all representations disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics;

(14) The representation of a drug, in its labeling or advertisement, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body;

(15) The term "new drug" means:

(a) Any drug the composition of which is such that such drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety of drugs, as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

(b) Any drug the composition of which is such that such drug, as a result of investigations to determine its safety for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions;

(16) The term "contaminated with filth" applies to any food, drug, device, or cosmetic not securely protected from dust, dirt, and as far as may be necessary by all reasonable means, from all foreign or injurious contaminations;

(17) The provisions of KRS 217.005 to 217.215 regarding the selling of food, drugs, devices, or cosmetics, shall be considered to include the manufacture, production, processing, packing, exposure, offer, possession, and holding of any such article for sale; and the sale, dispensing, and giving of any such article, and the supplying or applying of any such articles in the conduct of any food, drug, or cosmetic establishment;

(18) The term "federal act" means the federal food, drug and cosmetic act; (title 21 U.S.C. Sec. 301 et seq.; 52 stat. 1040 et seq. or amendments thereto);

(19) The term "flour" includes and shall be limited to the foods, commonly known as flour, white flour, wheat flour, plain flour, bromated flour, self-rising flour, self-rising white flour, self-rising wheat flour, phosphated flour, phosphated white flour, and phosphated wheat flour, defined under the federal act;

(20) The term "enriched" as applied to flour, means the addition to flour of vitamins and other nutritional ingredients necessary to make it conform to the definition and standard of "enriched" flour as defined under the federal act;

(21) The terms "bread" and "enriched bread" include, and shall be limited to, the foods commonly known and described as "white bread," "white rolls," "white buns," "enriched white bread," "enriched rolls," and "enriched white buns," as defined under the federal act;

(22) The term "filled milk" means any milk, cream or skimmed milk, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, except the fat or oil of contained eggs and nuts and the fat or oil of substances used for flavoring purposes only, so that the resulting product is an imitation or semblance of milk, cream, skimmed milk, ice cream mix, ice cream, or frozen desserts, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, whether in bulk or in containers, hermetically sealed or unsealed. This definition does not mean or include any milk or cream from which no part of the milk or butter fat has been extracted, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added any substance rich in vitamins, nor any distinctive proprietary food compound not readily mistaken for milk or cream or for condensed, evaporated,

concentrated, powdered, dried, or desiccated milk or cream, if such compound is prepared and designed for the feeding of infants or young children, sick or infirm persons, and customarily used on the order of a physician, and is packed in individual containers bearing a label in bold type that the contents are to be used for those purposes; nor shall this definition prevent the use, blending or compounding of chocolate as a flavor with milk, cream or skimmed milk, desiccated, whether in bulk or in containers, hermetically sealed or unsealed, to or with which has been added, blended or compounded no other fat or oil other than milk or butter fat;

(23) The term "practitioner" means medical or osteopathic physicians, dentists, chiropodists, and veterinarians who are licensed under the professional licensing laws of Kentucky to prescribe and administer drugs and devices, it shall also include optometrists when administering the diagnostic pharmaceutical agents authorized in subsections (13) and (14) of KRS 320.240;

(24) The term "prescription" means a written or oral order for a drug or medicine, or combination or mixture of drugs or medicines, or proprietary preparation, signed or given or authorized by a medical, dental, chiropody or veterinarian practitioner, and intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals;

(25) The term "federal meat inspection act" means the federal meat inspection act; (title 21 U.S.C. Sec. 71 et seq.; 34 stat. 1260 et seq. including any amendments thereto);

(26) The term "federal poultry products inspection act" means the federal poultry and poultry products inspection act. (Title 21 U.S.C. Sec. 451 et seq.; public law 85-172; 71 stat. 441 including any amendments thereto);

(27) The term "fair packaging and labeling act" means the fair packaging and labeling act as it relates to foods and cosmetics, (15 U.S.C. Sec. 1451, et seq.) and all amendments thereto;

(28) The term "pesticide chemical" means any substance which, alone, in chemical combination, or in formulation with one or more other substances is an "economic poison" within the meaning of the federal insecticide, fungicide and rodenticide act and subsequent amendments thereto, and which is used in the production, storage, or transportation of raw agricultural commodities;

(29) The term "raw agricultural commodity" means any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing;

(30) The term "food additive" means any substance, the intended use of which results or may be reasonably expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any food (including any substance intended for use in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding food; and including any source of radiation intended for any such use) if such substance is not generally recognized, among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures (or, in the case of a substance used in a food prior to January 1, 1958, through either scientific procedures or experience based on common use in food) to be safe under the conditions of its intended use; except that such term does not include:

(a) A pesticide chemical in or on a raw agricultural commodity; or

(b) A pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity; or

(c) A color additive; or

(d) Any substance used in accordance with a sanction or approval granted prior to the enactment of the food additives amendment of 1958, pursuant to the federal act; the poultry products inspection act (21 U.S.C. Sec. 451 et seq.) or the meat inspection act of 1907 and subsequent amendments thereto;

(31) (a) The term "color additive" means a material which:

1. Is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source; or

2. When added or applied to a food, drug, or cosmetic, or to the human body or any part thereof, is capable (alone or through reaction with other substance) of imparting color thereto; except that such term does not include any material which has been or hereafter is exempted under the federal act;

(b) The term "color" includes, but is not limited to black, white and intermediate grays;

(c) Nothing in paragraph (a)1. of this subsection shall be construed to apply to any pesticide chemical, soil or plant nutrient, or other agricultural chemical solely because of its effect in aiding, retarding, or otherwise affecting, directly or indirectly the growth or other natural physiological process of produce of the soil and thereby affecting its color, whether before or after harvest.

(32) The term "federal environmental pesticide control act of 1972" means the federal environmental pesticide control act of 1972 (Public Law 92-516) and all amendments thereto;

(33) "Salvage distributor" means a person who engages in the business of distributing, peddling, or otherwise trafficking in any salvaged merchandise;

(34) "Salvage processing plant" means an establishment operated by a person engaged in the business of reconditioning, labeling, relabeling, repackaging, recoopering, sorting, cleaning, culling or who by

other means salvages, sells, offers for sale, or distributes for human or animal consumption or use any salvaged food, beverage, including beer, wine and distilled spirits, vitamins, food supplements, dentrifices, cosmetics, single-service food containers or utensils, containers and packaging materials used for foods and cosmetics, soda straws, paper napkins, or any other product of a similar nature that has been damaged or contaminated by fire, water, smoke, chemicals, transit, or by any other means.

Section 11. KRS 217.125 is amended to read as follows:

(1) The authority to promulgate regulations for the efficient administration and enforcement of KRS 217.005 to 217.215 is hereby vested in the secretary. The secretary may make the regulations promulgated under KRS 217.005 to 217.215 consistent with those promulgated under the federal act and the fair packaging and labeling act. Regulations promulgated may require permits to operate and include provisions for regulating the issuance, suspension, and reinstatement of permits.

(2) The secretary shall have authority to establish by regulation a schedule of reasonable fees, not to exceed twenty dollars ($20.00) per inspector hour plus travel costs pursuant to state regulations for travel reimbursement, to cover the costs of inspections of food manufacturing plants, food storage warehouses, retail food markets, salvage distributors and salvage processing plants for the purpose of determining compliance with the requirements of KRS 217.025 to 217.390. Fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for use by the department in carrying out the provisions of KRS 217.025 to 217.390 and the regulations adopted by the secretary pursuant thereto. The balance of said account shall lapse to the general fund at the end of each biennium.

Section 12. KRS 217.811 is amended to read as follows:

Each application for permit to operate a vending machine company shall be accompanied by a fee of ten dollars ($10) for each vending machine commissary plus a fee for the total number of vending machines operated by the applicant, as follows;

1 - 25 machines	fee *$50.00* [~~$ 10.00~~]
26 - 50 machines	fee *$75.00* [~~$ 35.00~~]
51 - 100 machines	fee *$100.00* [~~$ 75.00~~]
101 - 150 machines	fee *$125.00* [~~$100.00~~]
151 and over machines	fee *$200.00* [~~$150.00~~]

Provided, that vending machines dispensing only bottled or canned soft drinks; prepackaged non-potentially hazardous food; chewing gum, nuts and/or candies shall be exempt from the permit and fee requirements of KRS 217.808 to 217.812.

Section 13. KRS 217.812 is amended to read as follows:

All fees collected by the department for human resources under the provisions of KRS 217.808 to 217.812 shall be paid into the state treasury and credited to a trust and agency fund to be used by the department in defraying the costs and expenses of the department in the administration of KRS 217.808 to 217.812. Such funds may be expended for training of state and local sanitation personnel. *The balance* [~~No part~~] of this fund shall revert to the general *fund* [~~funds~~] of the Commonwealth *at the end of each biennium.*

Section 14. KRS 219.011 is amended to read as follows:

As used in KRS 219.011 to 219.081:

(1) "Secretary" means the secretary for human resources.

(2) "Department" means the department for human resources *or its designee.*

(3) "Food service establishment" means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants; coffee shops; cafeterias; short order cafes; luncheonettes; grills; tea rooms; sandwich shops; soda fountains; taverns; bars; cocktail lounges; nightclubs; roadside stands; industrial feeding establishments; private, public or non-profit organizations or institutions routinely serving food; catering kitchens; commissaries; or similar places in which food is prepared for sale or service on the premises or elsewhere with or without charge. It does not include food vending machines, [~~or~~] establishments serving beverages only in single service or original containers *or retail food markets which only cut, slice, and prepare cold-cut sandwiches for individual consumption.*

(4) "Hotel" means every building or structure kept, used, maintained, advertised, or held out to the public as a place where sleeping accommodations are furnished to the public, and includes motels, tourist homes and similar establishments, but excludes boarding houses and rooming houses.

(5) "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a hotel or a food service establishment.

(6) "Temporary food service establishment" means any food service establishment which operates at a fixed location for a period of time, not to exceed fourteen (14) consecutive days.

Section 15. KRS 219.021 is amended to read as follows:

(1) No person shall operate a hotel or food service establishment without first having obtained a permit to operate from the department. An application for a permit to operate any hotel or food service establishment shall be made to the department upon forms provided by it and shall contain such information as the department may reasonably require.

(2) Except as otherwise provided in subsection (4) of this section, each application for *an annual* [~~a~~] permit to operate a hotel or food service establishment shall be accompanied by a fee of *twenty-five dollars ($25.00)* [~~ten dollars ($10.00)~~]. *Applications for permits to operate temporary food service establishments shall be accompanied by a fee of ten dollars ($10.00).*

(3) Upon receipt of an application for a permit to operate a hotel or food service establishment accompanied by the required fee, the department shall issue a permit if such establishment meets the requirements of KRS 219.011 to 219.081 and rules and regulations adopted by the department. Provided, however, that food service establishments and hotels holding a valid and effective permit on January 1, 1973, even though not fully meeting the construction requirements of KRS 219.011 to 219.081 and the regulations adopted pursuant thereto, may continue to be eligible for permit renewal if in good repair and capable of being maintained in a safe and sanitary manner; and further provided there is no change in ownership of the establishment.

(4) Private, parochial, and public school cafeterias or lunchroom facilities through the twelfth (12th) grade and all facilities operated by the department for human resources *or department* [~~, bureau~~] of corrections [~~and operated or licensed by the department for human resources~~] shall be exempt from the payment of fees, but shall comply with all other provisions of KRS 219.011 to 219.081 and the state food service code.

(5) Each *annual* permit to operate a hotel or food service establishment unless previously suspended or revoked shall expire on December 31, following its date of issuance, and be renewable annually upon application accompanied by the required fee of *twenty-five dollars ($25.00)* [~~ten dollars ($10.00)~~], except as otherwise provided in subsection (4) of this section and provided the establishment is in compliance with KRS 219.011 to 219.081 and rules and regulations of the department.

(6) Each permit to operate a hotel or food service establishment shall be issued only for the premises and person named in the application and shall not be transferable. Permits issued shall be posted in a conspicuous place in the establishment.

Section 16. KRS 219.041 is amended to read as follows:

(1) The secretary shall adopt rules and regulations for the effective administration and enforcement of KRS 219.011 to 219.081.

(2) The secretary shall adopt a state food service code which shall include, among other things, provisions for regulating the issuance, suspension, and revocation of permits to operate; submission of plans for construction and equipment layout including plumbing, lighting, ventilation, water supply, sewage disposal and other facilities; food supply source and protection; health, disease control and cleanliness of personnel; design, construction, installation and cleanliness of equipment and utensils; toilet and hand washing facilities; solid waste disposal and vermin control; and such other matters deemed necessary to insure a safe and sanitary operation of a food service establishment. Standards for construction, plumbing, lighting and ventilation of fixed food service establishments shall be effective only if they are approved by the board of housing, buildings, and construction and are included in the uniform state building code, or if they conform to the state plumbing code in the case of plumbing fixtures. Any review of plans for construction, plumbing, lighting and ventilation required before construction of a fixed food service establishment shall be conducted by the department of housing, buildings and construction.

(3) The secretary shall adopt a state hotel code which shall include, among other things, requirements for the issuance, suspension and revocation of permits to operate; submission of plans for construction and equipment layout; plumbing; lighting; ventilation; water supply; sewage disposal; sanitary standards for operation; and such other matters deemed necessary to insure a safe and sanitary operation of a hotel. Standards for construction, plumbing, lighting and ventilation shall be effective only if they are approved by the board of housing, buildings and construction and are included in the uniform state building code, or if they conform to the state plumbing code in the case of plumbing fixtures. Any review of plans for construction, plumbing, lighting and ventilation required before construction of a hotel shall be conducted by the department of housing, buildings and construction.

(4) The secretary may, by regulation, adopt a schedule of reasonable fees, none of which shall exceed one hundred dollars ($100), to cover the costs of inspection activities of the department under the provisions of KRS 219.011 to 219.081.

Section 17. KRS 219.071 is amended to read as follows:

All fees collected by the department under the provisions of KRS 219.011 to 219.081 shall be paid into the state treasury and credited to a trust and agency fund to be used by the department in defraying the costs and expenses of the department in the administration of KRS 219.011 to 219.081. Such funds may be expended for training of state and local sanitation personnel. *The balance* [~~No part~~] of this fund shall revert to the general funds of the Commonwealth *at the end of each biennium.*

Section 18. KRS 219.340 is amended to read as follows:

(1) Upon receipt of an application for a permit to operate, accompanied by *a* [~~the required~~] permit fee *assessed according to the following schedule:*

Park with 10 spaces or less	*fee $50.00*

Park with more than 10 spaces *fee $75.00*
[~~of twenty-five dollars ($25.00)~~], the department shall issue a permit, provided the park meets the standards and requirements of KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(2) Each permit to operate, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually, upon application and payment of a [~~twenty-five dollar ($25.00)~~] renewal fee *of fifty dollars ($50.00) for a park with 10 spaces or less or a renewal fee of seventy-five dollars ($75.00) for a park with more than 10 spaces*, provided the park is maintained and operated in compliance with KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(3) Each permit to operate shall be issued only for the person and premises, including number of spaces, named in the application and shall not be transferable.

(4) The person holding an operating permit shall post it conspicuously within the park or have it readily available for examination upon request by agents of the department or prospective park occupants.

Section 19. KRS 219.400 is amended to read as follows:

All fees collected under the provisions of KRS 219.310 to 219.410 shall be deposited in the state treasury in a revolving fund for the use of the department in carrying out the provisions of KRS 219.310 to 219.410 and regulations adopted by the secretary. *The balance of said account shall lapse to the general fund at the end of each biennium.*

Section 20. KRS 333.070 is amended to read as follows:

A medical laboratory license shall be valid for the calendar year for which it is issued. The initial application fee for a license *shall be one hundred dollars ($100). The license shall be renewable upon expiration and reapplication accompanied by* [~~and~~] the annual renewal fee *to* [~~shall~~] be paid according to the reasonable fee schedule established by regulations of the secretary; provided, however, that no fee shall exceed *fifty dollars ($50.00)* [~~$25.00~~]. *Fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of KRS Chapter 333. The balance of said account shall lapse to the general fund at the end of each biennium.*

Section 21. KRS 210.272, Purchasing treatment for patients — Recovery of charges; and KRS 210.740, Payment of charges by inter vivos trust where inheritance in excess of exemptions, are repealed.

The Committee on Health and Welfare reported **HB 814,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 814, AN ACT relating to the establishment of certificate of need, licensing and regulation of health facilities and health services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 216B.010 is amended to read as follows:

The general assembly finds that the licensure of health facilities and health services is a means to insure that the citizens of this Commonwealth will have safe, adequate and efficient medical care; that the proliferation of unnecessary health care facilities, health services and major medical equipment results in costly duplication and underuse of such facilities, services and equipment; and that such proliferation increases the cost of quality health care within the Commonwealth. [~~The general assembly further finds that a certificate of need law is required under the provisions of the national health planning resource development act of 1974, P.L. 93-641 as amended, as a condition for the receipt of federal funds.~~] Therefore, it is the purpose of this chapter to provide for the establishment of the Kentucky health facilities and health services certificate of need and licensure board for the [~~specific~~] purpose of licensing health facilities and services, and *acting on* [~~to review and approve~~] applications for certificates of need.

Section 2. KRS 216B.015 is amended to read as follows:

[~~Except as otherwise provided, for purposes of this chapter, the following definitions shall apply:~~]

(1) "Administrative regulation" means a regulation adopted and promulgated pursuant to the procedures in KRS Chapter 13.

(2) *"Affected persons" means the applicant; any person residing within the geographic area served or to be served by the applicant; any person who regularly uses health care facilities within that geographic area; health care facilities located in the health service area in which the project is proposed to be located which provide services similar to the services of the facility under review; health care facilities which, prior to receipt by the agency of the proposal being reviewed, have formally indicated an intention to provide similar services in the future; third party payors who reimburse health care facilities for services in the health service area in which the project is proposed to be located; the state health planning agency and local health planning agencies.*

(3) "Applicant" means any person, *corporation* [~~group~~], health facility, or health service requesting a certificate of need or license [~~for a health facility~~].

(4)[~~(3)~~] "Board" means the Kentucky health facilities and health services certificate of need and licensure board.

(5) "Batching" means the review and comparative consideration, if applicable, of all filed applications pertaining to similar types of health services, health facilities or major medical equipment affecting the same health service area.

(6)[~~(4)~~] "Capital expenditure" means an expenditure made by or on behalf of a health [~~care~~] facility which:

(a) Under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance; or

(b) Is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part thereof[~~; and~~

~~(c) Exceeds the expenditure minimum, substantially changes the bed capacity of the facility with respect to which the expenditure is made, or substantially changes the health services offered in or through such health facility~~].

(7)[~~(d)~~] *"Capital expenditure minimum"* [~~For purposes of this paragraph, the term "expenditure minimum"~~] means *six hundred thousand* [~~one hundred fifty thousand~~] dollars *($600,000)* [~~($150,000)~~] for the twelve (12) month period beginning with the month in which this paragraph is enacted and *as adjusted annually* [~~for each twelve (12) month period~~] thereafter. In determining whether an expenditure exceeds the expenditure minimum, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the improvement, expansion, or replacement of any plant or any equipment with respect to which the expenditure is made shall be included. Donations of equipment or facilities to a health facility which [~~if acquired directly by such facility~~] would be subject to review under this chapter shall be considered a capital expenditure, and a transfer of the equipment or facilities for less than fair market value shall be considered a capital expenditure if a transfer of the equipment or facilities at fair market value would be subject to review.

(8)[~~(5)~~] "Certificate of need" means an authorization by the board to proceed *to acquire, to establish, to offer, to substantially change the bed capacity or to substantially change a health service as* [~~with any acquisition, initiation, construction or expansion~~] covered by this chapter.

(9)[~~(6)~~] "Department" means the department for human resources *which functions as the state health planning and development agency* [~~acting under its designation as the state health planning and development agency under the federal act~~].

(10)[~~(7)~~] "Federal act" means the national health planning resources development act of 1974, P.L. 93-641, *and subsequent amendments thereto* [~~as amended~~].

(11)[~~(8)~~] "Health facility" means any institution, place, building, [~~or~~] agency or portion thereof, public or private, whether organized for profit or not, used, operated or designed to provide medical diagnosis, treatment, nursing, rehabilitative or preventive care *and includes alcohol abuse, drug abuse, and mental health services* [~~to any person or persons~~]. This shall include, but shall not be limited to health facilities and health services commonly referred to as hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, nursing homes, personal care homes, intermediate care facilities, family care homes, *primary care centers, rural health clinics,* outpatient clinics, ambulatory care facilities, *ambulatory surgical centers,* emergency care centers and services, *ambulance services, non-emergency health transportation services, hospices,* community mental health and mental retardation centers, home health agencies, kidney disease treatment centers and free standing hemodialysis units, [~~health care services and facilities as specified by P.L. 93-641 and subsequent amendments,~~] health maintenance organizations, and others providing similarly organized services regardless of nomenclature.

(12)[~~(9)~~] "Health maintenance organization" means a public or private organization, organized under KRS 304.38-010 to 304.38-200, which:

(a) Is a qualified health maintenance organization under the federal act; or

(b) 1. Provides or otherwise makes available to enrolled participants health care services, including at least the following basic health care services: usual physician services, hospitalization, laboratory, x-ray, emergency and preventive services, and out of area coverage;

2. Is compensated (except for co-payments) for the provision of the basic health care services listed in subsection 1 of this section to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health care services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and

3. Provides physicians' services primarily;

a. Directly through physicians who are either employes or partners of such organization; or

b. Through arrangements with individual physicians or one (1) or more groups of physicians (organized on a group practice or individual practice basis).

(13)[~~(10)~~] "Health service area" means *a particular geographical area designated by the governor as a health service planning area* [~~an area designated pursuant to section 1511 of the federal act~~].

(14)[~~(11)~~] "Health services" means clinically related services provided within the Commonwealth to two (2) or more persons, including but not limited to diagnostic, treatment, or rehabilitative services, and includes alcohol, drug abuse, and mental health services.

(15) "Local health planning agency" means a health planning agency organized for a particular geographical area of the Commonwealth and recognized as such by the governor.

[~~(12) "Institutional health services" means health services which:~~

~~(a) Are provided in or through a health facility; and~~

~~(b) Entail annual operating costs of at least the expenditure minimum. For purposes of this paragraph, the term "expenditure minimum" means seventy-five thousand dollars ($75,000) for the twelve (12) month period beginning with the month in which this paragraph is enacted, and each twelve (12) month period thereafter.~~]

(16)[~~(13)~~] "Major medical equipment" means equipment which is used for the provision of medical and other health services and which costs in excess of *four hundred thousand dollars ($400,000)* [~~one hundred fifty thousand dollars ($150,000)~~] except that such term does not include medical equipment acquired by or on behalf of a *medical* [~~clinical~~] laboratory *subject to licensure under KRS Chapter 333* [~~to provide "clinical laboratory services" if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861(s) of such act~~]. In determining whether medical equipment has a value in excess of *four hundred thousand dollars ($400,000)* [~~one hundred fifty thousand dollars ($150,000)~~], the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

(17) "Nonsubstantive review" means an expedited review of an application for a certificate of need as authorized under Section 19 of this Act.

(18) "Operating cost expenditure minimum" means two hundred fifty thousand dollars ($250,000) for the twelve (12) month period beginning with the month in which this Act is enacted and as adjusted annually thereafter.

[~~(14) "New institutional health service" means a proposed institutional health service which involves:~~

~~(a) The construction, development or establishment of a new health facility;~~

~~(b) Any expenditure by or on behalf of a health facility in excess of one hundred fifty thousand dollars ($150,000) or more which, under generally accepted accounting principles consistently applied, is a capital expenditure;~~

~~(c) A substantial change in bed capacity; or~~

~~(d) A substantial change in a health service.~~

~~(15) "Substantial change in a health service" means a definition adopted by administrative regulation promulgated under this chapter.~~]

(19)[~~(16)~~] "Person" means an individual, a trust or estate, a partnership, a corporation [~~(including associations, joint stock companies and insurance companies)~~], a state or political subdivision or instrumentality (including a municipal corporation) of a state.

(20) "Secretary" means the secretary of the department for human resources.

(21)[~~(17)~~] "State health plan" means the *health planning components developed, revised and* [~~document~~] duly adopted by the *state* [~~statewide~~] health *planning* [~~coordinating~~] council *and approved by the governor* [~~in accordance with P.L. 93-641 and subsequent amendments~~].

(22)[~~(18)~~] "*State* [~~Statewide~~] health *planning* [~~coordinating~~] council" means the health planning council established by *the governor* [~~this chapter to comply with the federal act~~].

(23) "Substantial change in a health service" means the addition of a clinically related service not previously provided in the health facility which entails an annual operating cost which exceeds the operating cost expenditure minimum, or the addition of a health service for which there is a component of the state health plan, or the addition of a health service subject to licensure under this chapter, or the termination of a health service which had previously been provided in the health facility.

(24)[~~(19)~~] "Substantial change in bed capacity" means the addition, reduction, relocation or redistribution of beds *by licensure classification* within a health [~~care~~] facility[~~; but this shall not be construed to prevent the redistribution, by categories of services of beds in an acute care hospital if the redistribution does not exceed ten percent (10%) of the bed capacity of the acute care hospital or ten (10) beds, whichever is less, over any two (2) year period~~].

(25)[~~(20)~~] "To acquire" means the transfer by purchase, lease or other comparable arrangements of the controlling interest of a capital asset or capital stock, or voting rights of a corporation, from one person to another. Such a transfer is deemed to occur when *more than* fifty percent (50%) [~~or more~~] of an existing capital asset or capital stock or voting rights of a corporation is purchased, leased or acquired by comparable arrangement by one person from another person.

(26) "To establish" means the construction, development, or initiation of a health facility.

(27)[~~(21)~~] "To obligate" means to enter any enforceable contract for the construction, acquisition, lease, or financing of a capital asset. [~~A contract shall be considered enforceable when all contingencies and conditions in such contract have been met.~~] An option to purchase or lease which is not binding, shall not be considered an enforceable contract.

(28)[~~(22)~~] "To offer" means, when used in connection with health services, that the health [~~care~~] facility or health maintenance organization holds itself out as capable of providing, or as having the means *of providing* [~~for the provision of~~], specified health services.

Section 3. KRS 216B.020 is amended to read as follows:

(1) *The provisions of this Act that relate to the issuance of a certificate of need shall not apply to family care homes or ambulance services.*

(2) Nothing in this chapter shall be construed to authorize the licensure, supervision, regulation or control in any manner of:

(a) Private offices and clinics of physicians, dentists, and other practitioners of the healing arts, *except as required in Section 13 of this Act.*

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists and other practitioners of the healing arts, provided that no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility.

(c) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employes, provided that such facility does not contain inpatient or resident beds for patients or employes who generally remain in the facility for more than twenty-four (24) hours.

(d) Establishments, such as motels, hotels and boarding houses which provide domiciliary and auxiliary commercial services, but do not provide *any* [~~medical, nursing personnel and~~] health related services, *and* [~~including, but not limited to,~~] boarding houses which are operated by persons contracting with the United States veterans administration for boarding services.

(e) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination *and recognized by that church or denomination.*

(f) [~~In counties containing cities of the first class,~~] On-duty police and fire department personnel assisting in emergency situations by providing first-aid or transportation when regular emergency units licensed to provide first-aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time.

[~~(2) The provisions of this chapter shall not apply to ambulances, ambulance service, or the providing thereof when a county, through appropriate action of the fiscal court, has elected not to be covered by the provisions of this chapter. If a county elects not to be covered by the provisions of this chapter:~~

~~(a) No ambulance or ambulance service based in that county shall be regulated pursuant to this chapter, regardless of where the ambulances may travel in the Commonwealth;~~

~~(b) Ambulance services presently licensed, holding certificates of need, or applying for same based in that county shall continue to be regulated by the board only if such is desired by the licensee or applicant, otherwise they shall cease to be regulated by the board as of the date the election is made by the county; and~~

~~(c) No punitive or other adverse action shall be taken by the board or any other agency of state government against any licensee, holder of a certificate of need, applicant for same, or ambulance service because the county in which it is based has elected not to be covered by the provisions of this chapter.~~

~~(3) Nothing in this section shall prevent:~~

~~(a) An ambulance operator from voluntarily seeking a license pursuant to the provisions of this chapter or being licensed or granted a certificate of need; or~~

~~(b) A county from withdrawing its election not to be covered by this chapter; or~~

~~(c) A county from reinstating its election not to be covered by this chapter.~~]

Section 4. KRS 216B.025 is amended to read as follows:

(1) There is hereby created the Kentucky health facilities and health services certificate of need and licensure board consisting of sixteen (16) members, to be appointed by the governor, for the purpose of carrying out the duties prescribed in this chapter. The board shall be appointed as follows: two (2) members from the Kentucky hospital association, two (2) members from the Kentucky medical association, two (2) members from the Kentucky association of health care facilities, one (1) member from the Kentucky nurses association, one (1) member from the Kentucky dental association, one (1) member from the Kentucky pharmaceutical association, and four (4) members who are consumers with an interest in education, rehabilitation, mental health, home care programs, or ambulatory care services and three (3) members who are consumers not associated with any health facilities or delivery of health services. The aforesaid associations shall nominate three (3) persons for each appointment to be made. The *state health planning* [~~statewide health coordinating~~] council shall nominate three (3) persons for each of the consumer positions. The governor shall appoint a chairman

from the [~~consumer~~] members of the board. Members of the board shall serve for a term of four (4) years, except that the first appointments shall be made as follows: four (4) for a term of one (1) year; four (4) for a term of two (2) years; four (4) for a term of three (3) years; and four (4) for a term of four (4) years. In the event of a vacancy the person appointed shall serve only for the remaining portion of the vacated term. All members shall serve until such time as their successors are qualified and appointed.

(2) Board members shall receive fifty dollars ($50) per day for each day spent in active board duty and shall be reimbursed for allowable expenses for each day spent in active board duty.

(3) No person shall serve as a member of the board if he concurrently is a member of the board of a *local* health *planning* [~~systems~~] agency or a member of the *state health planning* [~~statewide health coordinating~~] council.

(4) A majority of the board members shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. No vacancy in the board shall impair the right of the remaining members to exercise all of the powers of the board.

(5) No member of the board may, in the exercise of any function described in this chapter, vote on any matter before the board respecting any applicant, licensee or holder of a certificate of need with which such member has or, within the twelve (12) months preceding the vote, had any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. A member who has or has had such a relationship with the applicant, licensee or holder of a certificate of need involved in a matter before the board shall make a written disclosure of the relationship before any action is taken by the board, and such disclosure shall become part of the record of the proceeding.

SECTION 5. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The board shall have four (4) separate and distinct functions:

(a) To issue or deny certificates of need except for those applications which have been granted nonsubstantive review status, after considering staff and any recognized local health planning agency recommendations and established criteria;

(b) To revoke certificates of need;

(c) To issue, deny, revoke, modify, or suspend licenses or issue provisional licenses in accordance with the provisions of this chapter; and

(d) To enforce, through legal action on its own motion, its orders and decisions issued pursuant to this chapter.

SECTION 6. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

The board shall have the authority:

(1) To issue administrative regulations through the secretary of the department for human resources;

(2) To establish a certificate of need process, including but not limited to, timetables for review cycles, procedures for review of completeness of applications, and criteria for issuance and denial of certificates of need based on the following considerations:

(a) Consistency with plans. The proposal shall be consistent with appropriately established plans for the development of health facilities and services in the state including the state health plan and other applicable plans developed by local health planning agencies. In case of inconsistency between plans, the state health plan shall prevail;

(b) Need and accessibility. The proposal shall meet an identified need in a defined geographic area and be accessible to all residents of the area;

(c) Interrelationships and linkages. The proposal shall serve to accomplish appropriate and effective linkages with other services, facilities, and elements of the health care system in the region and state, accompanied by assurance of effort to achieve comprehensive care, proper utilization of services and efficient functioning of the health care system;

(d) Costs, economic feasibility, and resources availability. The proposal, when measured against the cost of alternatives for meeting needs, shall be judged to be an effective and economical use of resources, not only in terms of capital investment, but also in terms of ongoing requirements for health manpower and operational financing;

(e) Quality of services. The applicant shall be prepared to and be capable of undertaking and carrying out the responsibilities involved in the proposal in a manner consistent with appropriate standards and requirements assuring the provision of quality health care services; and

(f) Special needs and circumstances of health maintenance organizations. In the case of a health maintenance organization or an ambulatory care facility or health facility controlled directly or indirectly by a health maintenance organization, the proposal shall be consistent with the special needs and circumstances of health maintenance organizations.

(3) To establish licensure standards and procedures to ensure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:

(a) Patient care standards and safety standards, minimum operating standards, minimum standards for training, required licenses for medical staff personnel and minimum standards for maintaining patient records;

(b) Licensure application procedures;

(c) Classification of health facilities and health services according to type, size, range of services and level of care provided; and

(d) Licensure renewal procedures.

(4) To establish reasonable fees for processing applications for certificates of need and licenses;

(5) To establish a mechanism for issuing advisory opinions to prospective applicants for certificates of need regarding the requirements of a certificate of need;

(6) To establish a procedure for escalating approved capital expenditures and adjusting financial arrangements prior to obligation of the proposal;

(7) To conduct public hearings, as requested, in respect to certificate of need decisions, revocations of certificates of need, and denials, suspensions, modifications, or revocations of licenses;

(8) To authorize its agents or representatives to enter upon premises of any health facility for the purpose of inspection, and under such conditions as are set forth in administrative regulations promulgated by the board;

(9) To administer oaths and issue subpoenas, subpoenas duces tecum and all necessary process in proceedings brought before or initiated by the board. Such process shall extend to all parts of the Commonwealth; and

(10) To appoint technical advisory committees as are deemed necessary to administer the provisions of this chapter.

Section 7. KRS 216B.035 is amended to read as follows:

(1) The secretary [~~of the department for human resources~~] shall serve in an advisory capacity to the board and shall provide the board such administrative staff assistance as may be required by the board to carry out its duties and functions under the provisions of this chapter.

(2) The secretary [~~of the department for human resources~~] shall appoint an executive director. The executive director shall keep a full and true record of all the proceedings of the board, of all books and papers ordered filed by the board, and of all licenses, exemptions, and certificates of need issued by the board, and shall be responsible to it for the safe custody and preservation of all such documents in its office. Under the direction of the board, the executive director shall have general charge of its office, superintend its clerical business and perform such other duties as the board prescribes. He may administer oaths in all parts of the state, where the exercise of that power is properly incidental to the performance of his duties of those of the board.

SECTION 8. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The department shall:

(a) Make recommendations to the board concerning actions on certificates of need when applications require formal review;

(b) Make recommendations to the board concerning the revocation of certificates of need; and

(c) Make recommendations to the board concerning licenses.

(2) The department shall have authority to:

(a) Grant or deny nonsubstantive review status of certificate of need applications pursuant to Section 19 of this Act; and

(b) Issue or deny certificates of need, when nonsubstantive review status has been granted, after considering the criteria as established by the board and staff recommendations and recommendations of any local health planning agency, when applicable.

Section 9. KRS 216B.045 is amended to read as follows:

Every order, decision, finding, license or certificate issued or approved by the board *or department* under any of the provisions of this chapter shall be in writing and shall be entered on the records [~~of the board. A certificate under the seal of the board that any such order, decision, finding, or certificate has not been probated, suspended, modified, revoked, vacated or set aside shall be received in any proceeding as evidence of the facts stated therein~~].

Section 10. KRS 216B.050 is amended to read as follows:

The board *or department* may compel obedience to its lawful orders by mandamus, injunction or other proper proceedings in the Franklin Circuit Court or any other circuit court of competent jurisdiction. Every order entered by the board *or department* shall continue in force until the expiration of the time, if any, named by the board *or department* in the order, or until revoked or modified [~~by the board~~].

SECTION 11. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Unless otherwise exempted under this chapter, a certificate of need shall be required for:

(a) The establishment of a new health facility; or

(b) The obligation of a capital expenditure which exceeds the capital expenditure minimum; or

(c) A substantial change in the bed capacity of a health facility; or

(d) A substantial change in a health service; or

(e) The acquisition of major medical equipment; or

(f) The alteration of a service area which has been designated on a certificate of need or license.

(2) No person shall separate portions of a single project into components in order to evade any expenditure minimum set forth in this chapter. For purposes of this chapter,the acquisition of one (1) or more items of functionally related diagnostic or therapeutic equipment shall be considered as one (1) project.

(3) No person shall have ex parte contact with members of the board regarding a certificate of need application from the commencement of the review cycle to the final decision. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(4) No person shall obligate a capital expenditure in excess of the amount authorized unless he has received an administrative escalation from the board as prescribed by regulation.

(5) No person shall proceed to obligate an approved project when alteration of the financial arrangement specified in the application would result in increased interest expense, unless he has received an administrative adjustment from the board as prescribed by regulation.

(6) A certificate of need issued for the establishment of a new health facility or the replacement of an existing health facility shall not be transferrable from the holder to any other person or legal entity.

(7) A certificate of need shall be issued for a specific location and, when applicable, for a designated service area.

SECTION 12. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

Applications proposing the same or similar types of services, equipment, or facilities shall be batched for review purposes, excluding those granted nonsubstantive review status. The board shall, by regulation, establish appropriate groupings of applications to assure that each grouping will be eligible for consideration at set intervals. The board shall review and compare all timely filed applications in each review batch proposing similar health services in the same or overlapping service areas. No review shall take longer than ninety (90) days from the commencement of the review cycle, unless the applicant agrees to a deferral of action.

Section 13. KRS 216B.065 is amended to read as follows:

(1) Before any person enters into a contractual agreement to acquire an existing health [~~care~~] facility [~~or major medical equipment~~] which arrangements will require the obligation of a capital expenditure *which exceeds the capital expenditure minimum, or to acquire major medical equipment*, such person shall notify the board of the person's intent [~~to acquire such a facility or major medical equipment and of the services to be offered in the facility and its bed capacity or the use of such medical equipment~~]. *The* [~~Such~~] notice shall be in writing and shall be *filed* [~~made~~] at least thirty (30) days prior to *entry into a contract* [~~any contractual arrangements~~] to acquire the *health* facility or major medical equipment with respect to which the notice *is* [~~was~~] given.

(2) A certificate of need shall be required for the acquisition of a health [~~care~~] facility or major medical equipment, only if:

(a) The notice required in this section is not filed; or

(b) The board finds within thirty (30) days after the date it received *such* [~~a~~] notice [~~in accordance with subsection (1) of this section with respect to such acquisition,~~] that the health services or bed capacity of the health [~~care~~] facility will be substantially changed in being acquired, or in the case of major medical equipment, *the* such equipment will be used to provide *health* services for inpatients of a health care facility.

(3) Donations and leases of major medical equipment and health [~~care~~] facilities shall be considered acquisitions of [~~such~~] equipment and facilities, and an acquisition of medical equipment *or facilities* for less than fair market value shall be considered an acquisition of major medical equipment if its fair market value exceeds the expenditure minimum.

(4) Before any health facility reduces or terminates a health service or reduces its bed capacity, such facility shall notify the board of its intent. Such notice shall be in writing and shall be filed at least thirty (30) days prior to the reduction or termination. A certificate of need shall be required for the reduction or termination only if the notice required in this section is not filed.

SECTION 14. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Before a health facility acquires major medical equipment to be used solely for research, offers a health service solely for research or makes or obligates a capital expenditure solely for research, which exceeds the prescribed minimum, the health facility shall notify the board of its intent to do so. Such notice shall be in writing and shall be made sixty (60) days prior to the acquisition, offering, or making or obligation of the expenditure with respect to which notice is given. The notice shall state the use to be made of the major medical equipment, health service or capital expenditure.

(2) A certificate of need shall be required for the acquisition of major medical equipment solely for research, the offering of a health service solely for research or the making or obligating of a capital expenditure solely for research by a health facility, only if:

(a) The notice required by this section is not filed; or

(b) The board finds within sixty (60) days after it receives notice that the project or transaction for which notice is given will affect the charges of the facility for the provision of medical or other patient care services other than services which are included in the research, will substantially change the bed capacity of the facility, or will substantially change the medical or other patient care services of the facility which were offered before the acquisition, offering, making or obligation.

(3) If major medical equipment is acquired, a health service is offered or a capital expenditure is made or obligated and, pursuant to this section, no certificate of need is required, such equipment or service or facilities acquired through the capital expenditure may not be used in a manner which would affect the charges of the facility for the provision of medical or other patient care services other than that included in the research, substantially change the bed capacity of the facility or substantially change the medical or other patient care services of the facility unless a certificate of need is issued.

(4) For purposes of this section, "solely for research" means patient care provided on an occasional and irregular basis and not as part of a research project.

Section 15. KRS 216B.070 is amended to read as follows:

A certificate of need shall not be required of a health maintenance organization for the *establishment of a health facility, or the acquisition of major medical equipment, or the obligation of capital expenditures for the provision of a health service* [~~offering of an inpatient institutional health service, or the acquisition of major medical equipment for the provision of a new institutional health service, or the obligation of capital expenditures for the provision of an institutional health service~~] except as may be allowed by the federal act or the regulations issued pursuant to the federal act. A health maintenance organization shall file an application for an exemption with the board pursuant to administrative regulations promulgated by the board.

Section 16. KRS 216B.085 is amended to read as follows:

(1) Any *affected person may request in writing a public hearing in respect to a decision by the board or department pertaining to a certificate of need application* [~~time~~] within thirty (30) days of the date *of notice of such decision. Notice shall be mailed to the applicant within fifteen (15) working days of the date the decision was made* [~~the review commences, any person directly affected by the review or any applicant seeking an exemption pursuant to this chapter, may request a public hearing. Hearings shall be before a quorum of the board, or at the request of the chairman, before a hearing officer designated by the secretary of the department for human resources, and shall be in addition to any hearing which may have been conducted before the health systems agency. The hearing officer shall be authorized to administer oaths, issue subpoenas, subpoenas duces tecum, and all necessary process in such proceedings. For purposes of this section, "persons directly affected" include, at a minimum, the applicant whose proposal is being reviewed, a third party payor, the health systems agency for the area within which the proposed project is to be located, health care facilities and health maintenance organizations located in the health service area within which the proposed project is to be located and members of the public who are to be served by the proposed project~~].

(2) *Hearings shall be before the board or, at the request of the chairman, before a hearing officer designated by the secretary.*

(3) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of *the* [~~such~~] hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(4)[~~(3)~~] At the hearing, any *affected* person shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the *application* [~~matter which is the subject of the hearing; any person directly affected~~] *and* may conduct reasonable cross examination under oath of persons who *testify* [~~make factual allegations relevant to such matters~~]. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's decision is appealed pursuant to this chapter.

(5)[~~(4)~~] Any *affected* person [~~directly affected~~] who appears on record at the hearing [~~or, in the absence of a hearing, any person directly affected who submits written information to the board~~] shall be deemed to be a party to the proceedings.

(6)[~~(5)~~] Any decision of the board to issue *or*[~~,~~] deny [~~or withdraw~~] a certificate of need [~~or to approve or disapprove an application for an exemption under this chapter~~] shall be based solely on the record established with regard to the *application* [~~matter~~]. The record shall include in addition to any other items required by administrative regulations promulgated by the board:

(a) The application filed and any information provided by the applicant at the request of a *local* health *planning* [~~systems~~] agency, *the department,* or the board;

(b) Any *staff reports , memoranda or documents prepared by or for the department or the board directly regarding the application under review* [~~information provided by a holder in response to a notice of intent to withdraw a certificate of need~~];

(c) Any *recommendation by a local health planning agency* [~~staff reports, memoranda or documents prepared by or for a health systems agency or the board regarding the matter under review which were introduced at any hearing~~];

(d) *Any* [~~The~~] recommendation *or decision by the department; and* [~~made by a health systems agency to the board;~~]

(e) *The findings of fact and recommendation of the hearing officer.* [~~Any information provided by affected persons which was introduced at a hearing;~~

~~(f) Any other evidence admitted in a hearing held with respect to the matter under review; and~~

~~(g) The findings of fact and recommendation of the hearing officer.~~

~~(6) The board's decision shall be consistent with the state health plan.~~]

(7) All decisions granting *or*[~~,~~] denying[~~, modifying or withdrawing~~] a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the decision *within fifteen (15) working days of the decision.* [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative appeal is taken.~~]

(8) *The decision of the board shall be final for purposes of judicial review unless a request for reconsideration prescribed in Section 18 of this Act is granted by the board.* [~~After the commencement of a hearing before the board and before a decision is made on an application for, or a proposed withdrawal of, a certificate of need, there shall be no ex parte contacts with regard to the pending action between any board member or other person associated with the board who exercises any discretion respecting the application or proposed withdrawal; and~~

~~(a) The applicant for the certificate of need or the holder of the certificate proposed to be withdrawn; or~~

~~(b) Any person acting in behalf of such applicant or holder; or~~

~~(c) Any person opposed to the issue of the certificate of need or in favor of the withdrawal of the certificate.~~

~~In the event that an ex parte contact occurs, it shall be promptly reported to the board and made a part of the record.~~]

SECTION 17. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Any affected person may request in writing a public hearing in respect to a decision by the board to revoke a certificate of need within thirty (30) days of the date of notice of such decision. Notice shall be mailed to the certificate of need holder within fifteen (15) working days of the date of the decision to revoke.

(2) The hearing shall be before the board, or at the request of the chairman, before a hearing officer designated by the secretary.

(3) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of such hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(4) At the hearing, any affected person shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the revocation of the certificate of need, and may conduct reasonable cross examination under oath of persons who testify. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's decision is appealed pursuant to this chapter.

(5) Any affected person who appears on record at the hearing shall be deemed to be a party to the proceedings.

(6) After the issuance of a decision to revoke a certificate of need and before a final decision is made, no person shall have ex parte contacts with members of the board regarding the revocation. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(7) Any decision of the board to revoke a certificate of need shall be based solely on the record established with regard to the revocation. The record shall include in addition to any other items required by administrative regulations promulgated by the board;

(a) All progress reports filed and any information provided by the certificate of need holder at the request of the department or the board;

(b) Any staff reports, memoranda or documents prepared by or for the department or the board directly regarding the certificate of need under review;

(c) Any recommendation by a local health planning agency;

(d) Any recommendation by staff;

(e) The findings of fact and recommendation of the hearing officer.

(8) Any decision revoking a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the decision within fifteen (15) working days of the decision.

(9) The decision of the board shall be final for purposes of judicial review, unless a request for reconsideration prescribed in Section 18 of this Act is granted by the board.

Section 18. KRS 216B.090 is amended to read as follows:

(1) Any *party to the proceedings* [~~person~~] may, for good cause shown, request in writing a hearing for purposes of reconsideration of a [~~board~~] decision *of the board pertaining to a certificate of need or the revocation of a certificate of need* under such procedures as are promulgated by administrative regulation. The request shall be filed within fifteen (15) days of the *mailing of notice of the* [~~board's~~] decision. For purposes of this section there shall be deemed to be "good cause shown" if the request for a public hearing:

(a)[~~(1)~~] Presents significant, relevant information not previously available for consideration [~~by the board~~]; or

(b)[~~(2)~~] Demonstrates that there have been significant changes in the factors or circumstances relied upon [~~by the board~~] in reaching *the* [~~its~~] decision; or

(c)[~~(3)~~] Demonstrates that [~~the board has materially failed to follow its~~] adopted procedures *were not followed* in reaching *the* [~~its~~] decision.

(2) If a public hearing is granted [~~by the board~~], it shall be held within thirty (30) days after the decision to grant the request for reconsideration [~~is filed~~]. The hearing shall be conducted in accordance with the provisions of *Sections 16 and 17 of this Act* [~~this chapter~~]. *The decision of the board shall be final for purposes of judicial review.*

Section 19. KRS 216B.095 is amended to read as follows:

(1) The *department* [~~board~~] may waive the procedures for [~~a~~] formal review of an application for a certificate of need and substitute therefor a nonsubstantive review *as provided in this section*. The *department* [~~board~~] shall grant or deny nonsubstantive review status within fifteen (15) days of the date the application is *declared complete and* [~~filed. The board~~] shall give notice *to all affected persons of* [~~as to~~] its decision to conduct a nonsubstantive review [~~to all affected persons~~]. The *department* [~~board~~] shall issue or deny a certificate of need on all projects assigned nonsubstantive review status within forty-five (45) days of the determination of nonsubstantive review status. If the *application* [~~applicant's project~~] is denied nonsubstantive review status, *it will automatically be placed in the formal review process* [~~or is denied a certificate of need following a nonsubstantive review, the applicant may apply for a certificate of need under the formal procedures outlined under this chapter~~]. *If a certificate of need is denied following nonsubstantive review, the applicant may request a hearing before the board as prescribed by Section 16 of this Act.*

(2) [~~A project which would normally be subject to formal review shall be assigned nonsubstantive review status if the proposed project involves capital expenditures and/or modification of health facilities or services in emergency circumstances that pose a threat to public health. Emergency circumstances shall include acts of God, fire, vandalism, structural and/or mechanical failure and other similar situations which if not promptly acted upon would pose a threat to public health. Any applicant acting under this section must file within thirty (30) days of such occurrence, an application with the board for a nonsubstantive review.~~

~~(3)~~] The *department* [~~board~~] shall grant nonsubstantive review status *to* [~~and, notwithstanding the criteria adopted by the board, shall approve~~] an application for a certificate of need [~~for a capital expenditure~~] which is required:

(a) *In emergency circumstances which, if not promptly acted upon, would pose a threat to the health and safety of the patients. Emergency circumstances shall include acts of God, fire, vandalism, structural or mechanical failure and other similar situations. Any applicant acting under this subsection may proceed to relieve circumstances threatening the health and safety of the patients, provided the department is consulted prior to such action and the application is submitted within thirty (30) days of the occurrence of the emergency.*

(b) To eliminate or prevent imminent safety hazards as defined by federal, state, or local fire, building, or life safety codes or regulations; or

(c)[~~(b)~~] To comply with licensure standards; or

(d)[~~(c)~~] To comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the social security act or payments under a state plan for medical assistance approved under title XIX of such act*; or* [~~.~~
~~Unless the board finds the facility or service with respect to which such capital expenditure is proposed to be made is not in fact so required; or to the extent the facility or services contemplated by the proposed capital expenditure is addressed in the state health plan, the board finds that such capital expenditure is not consistent with the state health plan. An application for a certificate of need approved under this section shall be approved only to the extent that the capital expenditure is so required.~~

~~(4) The board shall grant nonsubstantive review status for a capital expenditure which is required:~~]

(e)[~~(a)~~] To replace or repair worn equipment provided such worn equipment shall have been used by the applicant in *the* [~~a~~] health facility for five (5) years or more; or

(f)[~~(b)~~] To make repairs, alterations or improvements to *the physical plant of* a health facility which do not result in a substantial change in beds, [~~or~~] a substantial change in health services,[~~;~~] or *the addition*

of equipment. In no event shall repairs, alterations or improvements be construed to mean the replacement or the relocation of a health facility;

(g)[~~(c)~~] In such other circumstances as the board may by regulation prescribe. [~~Provided, however, in conducting such review the board shall consider the criteria used for formal reviews.~~]

Section 20. KRS 216B.105 is amended to read as follows:

(1) Unless otherwise provided in this chapter, no person shall operate any health facility [~~or health service~~] in this Commonwealth without first obtaining a license issued by the board, which license shall specify the kind or kinds of health services the facility is authorized to provide. A license shall not be transferable *and shall be issued for a specific location and, if applicable, a designated service area.*

(2) [~~No license shall be issued to an applicant who is in violation of the provisions of this chapter.~~

~~(3) The board shall adopt and promulgate by administrative regulations licensure standards and procedures which shall insure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:~~

~~(a) Patient care standards and safety standards, minimum operating standards, minimum standards for training and required licenses for medical staff personnel, and minimum standards for maintaining patient records;~~

~~(b) Application procedures;~~

~~(c) Classification and categorization of health facilities and health services according to character, size, range of services provided, type and level of care required;~~

~~(d) Classification or category of health facilities and health services which must be met in order to receive a license to operate and maintain health facilities and health services;~~

~~(e) Renewal procedures;~~

~~(f) Fees and charges.~~

~~(4)~~] The board shall have the authority to deny, *revoke* [~~suspend, probate~~], modify or *suspend* [~~revoke~~] a license in any case in which it finds that there has been a substantial failure to comply with the provisions of this chapter or the rules and regulations promulgated hereunder. Such denial, *revocation* [~~suspension~~], modification, [~~probation,~~] or *suspension* [~~revocation~~] shall be effected by mailing to the applicant or licensee, by certified mail, a notice setting forth the particular reasons for such action. Such denial, *revocation* [~~suspension~~], modification, [~~probation~~] or *suspension* [~~revocation~~] shall become final and conclusive thirty (30) days after the mailing *of notice* unless the applicant or licensee, within said thirty (30) day period, shall *file a* request in writing *for* a hearing [~~before the board~~]. *Notice shall be mailed to the applicant or licensee within fifteen (15) working days of the date of the decision.*

(3) The hearing shall be before the board, or at the request of the chairman, by a hearing officer designated by the secretary.

[~~(5) Hearings pertaining to licensure shall be before a quorum of the board, or at the request of the chairman, by a hearing officer designated by the secretary of the department for human resources.~~

~~(a) Hearing officers appointed under this section shall have the power to issue subpoenas and administer oaths.~~

~~(b)~~]*(4)* If the hearing is before a designated hearing officer, within thirty (30) days from the conclusion of the hearing, the hearing officer shall transmit his findings and recommendations *to the board,* with a synopsis of the evidence contained in the record and a statement of the basis of his findings [~~to the board~~]. The applicant or licensee shall be entitled to be represented at the hearing in person or by counsel, or both, and shall be entitled to introduce testimony by witnesses or, if the board so permits, by depositions. A full and complete record shall be kept of all hearings, and all testimony shall be reported but need not be transcribed unless the decision is appealed pursuant to this chapter. The board *may adopt the hearing officer's findings and recommendations or* [~~shall~~] prepare written findings of fact and state the basis for its decision which shall become part of the record of the proceedings.

(5)[~~(6)~~] All [~~hearing~~] decisions revoking, suspending, [~~probating,~~] modifying or denying licenses shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the applicant or licensee of the decision *within fifteen (15) working days of the decision.* [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative review is taken.~~]

(6) The decision of the board shall be final for the purposes of judicial review.

Section 21. KRS 216B.115 is amended to read as follows:

(1) An appeal to the Franklin Circuit Court may be taken from any final decision of the *board with respect to a certificate of need application, a certificate of need, or a license, by any affected person who was a party to the proceedings before it. The failure of an affected person to request a hearing, or to participate in the hearing before the board if one is conducted, shall be deemed a waiver of all appeal rights* [~~appeals officer or the board's decision upon remand, by the appeals officer, by any party adversely affected by the decision with respect to a certificate of need, an application for an exemption under this chapter, or a license~~].

(2) An appeal may be taken by filing a petition for review in the Franklin Circuit Court within thirty (30) days after the *mailing of notice* [~~rendition~~] of the final decision. The petition shall state completely the grounds upon which the review is sought and shall assign all errors relied upon. The petitioner shall serve a copy of the petition to each person who was a party to the *public hearing* [~~administrative appeal~~]. Summons shall be issued upon the petition directing the adverse party or parties to file *an* answer within twenty (20) days after service of summons. The board shall, upon being served with the summons[~~,~~] and within thirty (30) days thereafter, file a copy of the record, duly certified by the executive director of the board, the cost of *the* [~~such~~] record to be taxed as costs upon appeal. In lieu of filing of such record an abstract thereof may be filed if all parties to the [~~judicial~~] appeal agree.

Section 22. KRS 216B.120 is amended to read as follows:

(1) [~~Each party to the administrative appeal may appear in the proceedings in the circuit court on an appeal.~~

~~(2)~~] In case of appeals, no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of this chapter and affecting the *decision or* order; the court shall hear the case upon the certified record or abstract thereof, and shall dispose of the case in *a* [~~the~~] summary manner, its review being limited to determining whether [~~or not~~] the board acted within its jurisdiction, *whether* the order was procured by fraud, and *whether* the findings of fact in issue are supported by substantial evidence and are not clearly erroneous based upon a review of the record as a whole.

(2)[~~(3)~~] The court shall enter judgment *affirming* [~~confirming~~], modifying or *reversing* [~~setting aside~~] the decision or, in its discretion, remanding the case to the board for proceedings in conformity with the directions of the court.

(3)[~~(4)~~] Any party to the judicial appeal may appeal from the circuit court to the Court of Appeals in accordance with the Kentucky Rules of Civil Procedure.

Section 23. KRS 216B.125 is amended to read as follows:

In the event the *department or* board fails to approve or disapprove an application for a certificate of need [~~or an exemption~~] pursuant to this chapter[~~,~~] within the time prescribed under this chapter or administrative regulations promulgated by the board, the applicant may seek *a mandate for the required action* [~~judicial enforcement of this chapter~~] by filing a civil action in Franklin Circuit Court.

Section 24. KRS 216B.130 is amended to read as follows:

Any other provisions of this chapter[~~,~~] notwithstanding, any expenditure minimum or limit as provided in this chapter[~~,~~] shall be *adjusted* [~~increased~~] for each twelve (12) month period beginning twelve (12) months after this section is enacted[~~, and for each twelve (12) month period thereafter shall be adjusted~~] to reflect the changes in the preceding twelve (12) month period in *a cost* [~~an~~] index designated by regulation [~~pursuant to the federal act~~] for the *purpose* [~~purposes~~] of making such adjustment. The board shall *effect* [~~reflect~~] such adjustment by [~~the promulgation of~~] administrative regulations.

SECTION 25. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) All monies derived from the issuance of certificates of need or licenses or from any other source connected with this chapter shall be promptly paid over to the state treasurer, who shall deposit such monies in a special fund which, in addition to appropriated funds, shall be used to carry out the purposes of this chapter and for no other purpose.

(2) Any fine imposed for the violation of this chapter shall, when collected, be paid into the general fund.

Section 26. KRS 216B.990 is amended to read as follows:

(1) Any person who, in willful violation of this chapter, operates a health facility [~~or health service~~] without first obtaining a license[~~,~~] or continues to operate a health facility [~~or health service~~] after a final decision[~~,~~] suspending or *revoking* [~~revocating~~] a license, shall be fined not less than five hundred dollars ($500) nor more than *ten thousand dollars ($10,000)* [~~three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(2) Any person who, in willful violation of this chapter, acquires major medical equipment, *establishes a health facility,* [~~; offers a new institutional service; makes a substantial expenditure in preparation for the offering of such equipment or health services;~~] or obligates a capital expenditure without first obtaining a certificate of need, or after the applicable certificate of need has been withdrawn, shall be fined *one percent (1%) of the capital expenditure involved but* not less than five hundred dollars ($500) [~~nor more than three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(3) Any hospital acting by or through its agents or employes which violates *any provision* [~~the provisions~~] of KRS 216B.400 shall be punished by a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

Section 27. KRS 222.310 is amended to read as follows:

(1) As used in this section "hospital" shall mean a health facility licensed as such by the Kentucky health facilities and health services certificate of need and licensure board pursuant to the provisions of KRS *Chapter 216B* [~~216B.040~~].

(2) No hospital shall refuse to admit and treat on the basis of medical need, alcohol abusers and alcoholics whose admission or treatment has been prescribed by a physician who is a member of the hospital's staff; nor shall any hospital discriminate against alcoholics solely because of their alcoholism.

Section 28. The following KRS sections are repealed:

216B.030 Principal office of board.
216B.040 Functions of board.
216B.055 Notice of board's decisions and orders.
216B.060 Certificate of need required, when.
216B.075 Rules and regulations.
216B.080 Criteria for issuance or denial of certificates and for allowance or disallowance of exemptions to be adopted.
216B.100 Separation of components of a project prohibited.
216B.110 Administrative review.

Committee Substitute to **HB 814** is as follows:

HB 814, AN ACT relating to the establishment of certificate of need, licensing and regulation of health facilities and health services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 216B.010 is amended to read as follows:

The general assembly finds that the licensure of health facilities and health services is a means to insure that the citizens of this Commonwealth will have safe, adequate and efficient medical care; that the proliferation of unnecessary health care facilities, health services and major medical equipment results in costly duplication and underuse of such facilities, services and equipment; and that such proliferation increases the cost of quality health care within the Commonwealth. [~~The general assembly further finds that a certificate of need law is required under the provisions of the national health planning resource development act of 1974, P.L. 93-641 as amended, as a condition for the receipt of federal funds.~~] Therefore, it is the purpose of this chapter to provide for the establishment of the Kentucky health facilities and health services certificate of need and licensure board for the [~~specific~~] purpose of licensing health facilities and services, and *acting on* [~~to review and approve~~] applications for certificates of need.

Section 2. KRS 216B.015 is amended to read as follows:

Except as otherwise provided, for purposes of this chapter, the following definitions shall apply:

(1) "Administrative regulation" means a regulation adopted and promulgated pursuant to the procedures in KRS Chapter 13.

(2) *"Affected persons" means the applicant; any person residing within the geographic area served or to be served by the applicant; any person who regularly uses health facilities within that geographic area; health facilities located in the health service area in which the project is proposed to be located which provide services similar to the services of the facility under review; health facilities which, prior to receipt by the agency of the proposal being reviewed, have formally indicated an intention to provide similar services in the future; the department and third party payors who reimburse health facilities for services in the health service area in which the project is proposed to be located.*

(3) "Applicant" means any person, [~~group,~~] health facility, or health service requesting a certificate of need or license [~~for a health facility~~].

(4)[~~(3)~~] "Board" means the Kentucky health facilities and health services certificate of need and licensure board.

(5)[~~(4)~~] "Capital expenditure" means an expenditure made by or on behalf of a health [~~care~~] facility which:

(a) Under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance; or

(b) Is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part thereof[~~; and~~

~~(c) Exceeds the expenditure minimum, substantially changes the bed capacity of the facility with respect to which the expenditure is made, or substantially changes the health services offered in or through such health facility~~].

(6)[~~(d)~~] *"Capital* expenditure minimum" [~~For purposes of this paragraph, the term~~] means *six* [~~one~~] hundred [~~fifty~~] thousand dollars *($600,000)* [~~($150,000)~~] for the twelve (12) month period beginning with the month in which this paragraph is enacted and *as adjusted annually* [~~for each twelve (12) month period~~] thereafter. In determining whether an expenditure exceeds the expenditure minimum, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the improvement, expansion, or replacement of any plant or any equipment with respect to which the expenditure is made shall be included. Donations of equipment or facilities to a health facility which if acquired directly by such facility would be subject to review under this chapter shall be considered a capital expenditure, and a transfer of the equipment or facilities for less than fair market value shall be considered a capital expenditure if a transfer of the equipment or facilities at fair market value would be subject to review.

(7)[~~(5)~~] "Certificate of need" means an authorization by the board to proceed *to acquire, to establish, to offer, to substantially change the bed capacity or to substantially change a health service as* [~~with any acquisition, initiation, construction or expansion~~] covered by this chapter.

(8)[~~(6)~~] "Department" means the department for human resources *which functions* [~~acting under its designation~~] as the state health planning and development agency [~~under the federal act~~].

(9)[~~(7)~~] "Federal act" means the national health planning resources development act of 1974, P.L. 93-641, *and subsequent amendments* [~~as amended~~].

(10) "Formal review process" means the ninety (90) day certificate of need review conducted by the board.

(11)[~~(8)~~] "Health facility" means any institution, place, building, [~~or~~] agency or portion thereof, public or private, whether organized for profit or not, used, operated or designed to provide medical diagnosis, treatment, nursing, rehabilitative or preventive care *and includes alcohol abuse, drug abuse, and mental health services* [~~to any person or persons~~]. This shall include, but shall not be limited to health facilities and health services commonly referred to as hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, nursing homes, personal care homes, intermediate care facilities, family care homes, *primary care centers, rural health clinics,* outpatient clinics, ambulatory care facilities, *ambulatory surgical centers,* emergency care centers and services, *ambulance services, non-emergency health transportation services, hospices,* community mental health and mental retardation centers, home health agencies, kidney disease treatment centers and free standing hemodialysis units, [~~health care services and facilities as specified by P.L. 93-641 and subsequent amendments,~~] health maintenance organizations, and others providing similarly organized services regardless of nomenclature.

(12)[~~(9)~~] "Health maintenance organization" means a public or private organization, organized under KRS 304.38-010 to 304.38-200, which:

(a) Is a qualified health maintenance organization under the federal act; or

(b) 1. Provides or otherwise makes available to enrolled participants health [~~care~~] services, including at least the following basic health [~~care~~] services: usual physician services, hospitalization, laboratory, x-ray, emergency and preventive services, and out of area coverage;

2. Is compensated (except for co-payments) for the provision of the basic health [~~care~~] services listed in subsection 1 of this section to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health [~~care~~] services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and

3. Provides physicians' services primarily;

a. Directly through physicians who are either employes or partners of such organization; or

b. Through arrangements with individual physicians or one (1) or more groups of physicians (organized on a group practice or individual practice basis).

(13)[~~(10)~~] "Health service area" means *a particular geographical area designated by the governor as a health service planning area* [~~an area designated pursuant to section 1511 of the federal act~~].

(14)[~~(11)~~] "Health services" means clinically related services provided within the Commonwealth to two (2) or more persons, including but not limited to diagnostic, treatment, or rehabilitative services, and includes alcohol, drug abuse, and mental health services.

(15) "Local health planning agency" means a health planning agency organized for a particular geographical area of the Commonwealth and designated by the governor.

[~~(12) "Institutional health services" means health services which:~~

~~(a) Are provided in or through a health facility; and~~

~~(b) Entail annual operating costs of at least the expenditure minimum. For purposes of this paragraph, the term "expenditure minimum" means seventy-five thousand dollars ($75,000) for the twelve (12) month period beginning with the month in which this paragraph is enacted, and each twelve (12) month period thereafter.~~]

(16)[~~(13)~~] "Major medical equipment" means equipment which is used for the provision of medical and other health services and which costs in excess of *the medical equipment expenditure minimum* [~~one hundred fifty thousand dollars ($150,000)~~] except that such term does not include medical equipment

acquired by or on behalf of a *medical* [~~clinical~~] laboratory [~~to provide "clinical laboratory services" if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861(s) of such act~~]. *For purposes of this paragraph, "medical equipment expenditure minimum" means four hundred thousand dollars ($400,000) for the twelve (12) month period beginning with the month in which this paragraph is enacted and as adjusted annually thereafter.* In determining whether medical equipment has a value in excess of *the medical equipment expenditure minimum* [~~one hundred fifty thousand dollars ($150,000)~~], the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

[~~(14) "New institutional health service" means a proposed institutional health service which involves:~~

~~(a) The construction, development or establishment of a new health facility;~~

~~(b) Any expenditure by or on behalf of a health facility in excess of one hundred fifty thousand dollars ($150,000) or more which, under generally accepted accounting principles consistently applied, is a capital expenditure;~~

~~(c) A substantial change in bed capacity; or~~

~~(d) A substantial change in a health service.~~

~~(15) "Substantial change in a health service" means a definition adopted by administrative regulation promulgated under this chapter.~~]

(17) "Nonsubstantive review" means an expedited review conducted by the department of an application for a certificate of need as authorized under Section 19 of this chapter.

(18) "Operating cost expenditure minimum" means two hundred fifty thousand dollars ($250,000) for the twelve (12) month period beginning with the month in which this chapter is enacted and as adjusted annually thereafter.

(19) "Party to the proceedings" means the applicant for a certificate of need and any affected person who appears at a hearing on the matter under consideration and enters an appearance of record.

(20)[~~(16)~~] "Person" means an individual, a trust or estate, a partnership, a corporation, *an association* [~~(including associations, joint stock companies and insurance companies)~~], a *group,* state or political subdivision or instrumentality (including a municipal corporation) of a state.

(21) "Record" means, as applicable in a particular proceeding:

(a) The application and any information provided by the applicant at the request of a local health planning agency, the department or the board;

(b) Any information provided by a holder of a certificate of need or license in response to a notice of revocation of a certificate of need or license;

(c) Any memoranda or documents prepared by or for a local health planning agency, the department or the board regarding the matter under review which were introduced at any hearing;

(d) Any staff reports or recommendations prepared by or for a local health planning agency, the department or the board;

(e) Any recommendation or decision of the department;

(f) Any testimony or documentary evidence adduced at a hearing;

(g) The findings of fact and recommendation of the hearing officer; and

(h) Any other items required by administrative regulations promulgated by the board.

(22) "Secretary" means the secretary of the department for human resources.

(23)[~~(17)~~] "State health plan" means the document duly adopted by the *state* [~~statewide~~] health *planning* [~~coordinating~~] council *and approved by the governor* [~~in accordance with P.L. 93-641 and subsequent amendments.~~

~~(18) "Statewide health coordinating council" means the health planning council established by this chapter to comply with the federal act~~].

(24) "State health planning council" means the statewide health coordinating council or a state health planning agency established and designated by the governor.

(25) "Substantial change in a health service" means the addition of a clinically related service not previously provided in the health facility which entails an annual operating cost which exceeds the operating cost expenditure minimum, or the addition of a health service for which there is a component of the state health plan, or the addition of a health service subject to licensure under this chapter, or the reduction or termination of a health service which had previously been provided in the health facility.

(26)[~~(19)~~] "Substantial change in bed capacity" means the addition, reduction, relocation or redistribution of beds *by licensure classification* within a health [~~care~~] facility[~~; but this shall not be construed to prevent the redistribution, by categories of services of beds in an acute care hospital if the redistribution does not exceed ten percent (10%) of the bed capacity of the acute care hospital or ten (10) beds, whichever is less, over any two (2) year period~~].

(27)[~~(20)~~] "To acquire" means *to obtain from another* [~~the transfer~~] by purchase, lease or other comparable *arrangement* [~~arrangements~~] of the controlling interest of a capital asset or capital stock, or voting rights of a corporation[~~, from one person to another~~]. *An acquisition* [~~Such a transfer~~] is deemed to occur

when *more than* fifty percent (50%) [~~or more~~] of an existing capital asset or capital stock or voting rights of a corporation is purchased, leased or acquired by comparable arrangement by one person from another person.

(28) To "batch" means to review in the same review cycle and, if applicable, give comparative consideration to all filed applications pertaining to similar types of services, facilities or equipment affecting the same health service area.

(29) "To establish" means to construct, develop, or initiate a health facility.

(30)[~~(21)~~] "To obligate" means to enter any enforceable contract for the construction, acquisition, lease, or financing of a capital asset. A contract shall be considered enforceable when all contingencies and conditions in such contract have been met. An option to purchase or lease which is not binding, shall not be considered an enforceable contract.

(31)[~~(22)~~] "To offer" means, when used in connection with health services, *to hold a* [~~that the~~] health [~~care~~] facility or health maintenance organization [~~holds itself~~] out as capable of providing, or as having the means *of providing* [~~for the provision of~~], specified health services.

Section 3. KRS 216B.020 is amended to read as follows:

(1) *The provisions of this Act that relate to the issuance of a certificate of need shall not apply to family care homes, ambulance services, or non-emergency health transportation services.*

(2) Nothing in this chapter shall be construed to authorize the licensure, supervision, regulation or control in any manner of:

(a) Private offices and clinics of physicians, dentists, and other practitioners of the healing arts.

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists and other practitioners of the healing arts, provided that no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility.

(c) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employes, provided that such facility does not contain inpatient or resident beds for patients or employes who generally remain in the facility for more than twenty-four (24) hours.

(d) Establishments, such as motels, hotels and boarding houses which provide domiciliary and auxiliary commercial services, but do not provide *any* [~~medical, nursing personnel and~~] health related services *and*[~~, including, but not limited to,~~] boarding houses which are operated by persons contracting with the United States veterans administration for boarding services.

(e) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination *and recognized by that church or denomination.*

(f) [~~In counties containing cities of the first class,~~] On-duty police and fire department personnel assisting in emergency situations by providing first-aid or transportation when regular emergency units licensed to provide first-aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time.

[~~(2) The provisions of this chapter shall not apply to ambulances, ambulance service, or the providing thereof when a county, through appropriate action of the fiscal court, has elected not to be covered by the provisions of this chapter. If a county elects not to be covered by the provisions of this chapter:~~

~~(a) No ambulance or ambulance service based in that county shall be regulated pursuant to this chapter, regardless of where the ambulances may travel in the Commonwealth;~~

~~(b) Ambulance services presently licensed, holding certificates of need, or applying for same based in that county shall continue to be regulated by the board only if such is desired by the licensee or applicant, otherwise they shall cease to be regulated by the board as of the date the election is made by the county; and~~

~~(c) No punitive or other adverse action shall be taken by the board or any other agency of state government against any licensee, holder of a certificate of need, applicant for same, or ambulance service because the county in which it is based has elected not to be covered by the provisions of this chapter.~~

~~(3) Nothing in this section shall prevent:~~

~~(a) An ambulance operator from voluntarily seeking a license pursuant to the provisions of this chapter or being licensed or granted a certificate of need; or~~

~~(b) A county from withdrawing its election not to be covered by this chapter; or~~

~~(c) A county from reinstating its election not to be covered by this chapter.~~]

Section 4. KRS 216B.025 is amended to read as follows:

(1) There is hereby created the Kentucky health facilities and health services certificate of need and licensure board consisting of sixteen (16) members, to be appointed by the governor, for the purpose of carrying out the duties prescribed in this chapter. The board shall be appointed as follows: two (2) members from the Kentucky hospital association, two (2) members from the Kentucky medical association, two (2) members from the Kentucky association of health care facilities, one (1) member from the Kentucky nurses association,

one (1) member from the Kentucky dental association, one (1) member from the Kentucky pharmaceutical association, and four (4) members who are consumers with an interest in education, rehabilitation, mental health, home care programs, or ambulatory care services and three (3) members who are consumers not associated with any health facilities or delivery of health services. The aforesaid associations shall nominate three (3) persons for each appointment to be made. The *state health planning* [~~statewide health coordinating~~] council shall nominate three (3) persons for each of the consumer positions. The governor shall appoint a chairman from the consumer members of the board. Members of the board shall serve for a term of four (4) years[~~, except that the first appointments shall be made as follows: four (4) for a term of one (1) year; four (4) for a term of two (2) years; four (4) for a term of three (3) years; and four (4) for a term of four (4) years~~]. In the event of a vacancy the person appointed shall serve only for the remaining portion of the vacated term. All members shall serve until such time as their successors are qualified and appointed.

(2) Board members shall receive fifty dollars ($50) per day for each day spent in active board duty and shall be reimbursed for allowable expenses for each day spent in active board duty.

(3) No person shall serve as a member of the board if he concurrently is a member of the board of a *local* health *planning* [~~systems~~] agency or a member of the *state health planning* [~~statewide health coordinating~~] council.

(4) A majority of the board members shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. No vacancy in the board shall impair the right of the remaining members to exercise all of the powers of the board.

(5) No member of the board may, in the exercise of any function described in this chapter, vote on any matter before the board respecting any applicant, licensee or holder of a certificate of need with which such member has or, within the twelve (12) months preceding the vote, had any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. A member who has or has had such a relationship with the applicant, licensee or holder of a certificate of need involved in a matter before the board shall make a written disclosure of the relationship before any action is taken by the board, and such disclosure shall become part of the record of the proceeding.

Section 5. KRS 216B.035 is amended to read as follows:

(1) The secretary [~~of the department for human resources~~] shall serve in an advisory capacity to the board and shall provide the board such administrative staff assistance as may be required by the board to carry out its duties and functions under the provisions of this chapter.

(2) The secretary [~~of the department for human resources~~] shall appoint an executive director. The executive director shall keep a full and true record of all the proceedings of the board, of all books and papers ordered filed by the board, and of all licenses, exemptions, and certificates of need issued by the board, and shall be responsible to it for the safe custody and preservation of all [~~such~~] documents in its office. Under the direction of the board, the executive director shall have general charge of its office, superintend its clerical business and perform such other duties as the board prescribes. He may administer oaths in all parts of the state, where the exercise of that power is properly incidental to the performance of his duties of those of the board.

Section 6. KRS 216B.040 is amended to read as follows:

(1) The board shall have *four (4)* [~~three (3)~~] separate and distinct functions:

(a) To issue *or* [~~,~~] deny [~~and withdraw~~] certificates of need in accordance with the provisions of this chapter, *except as to those applications which have been granted nonsubstantive review status* [~~the federal act and regulations promulgated pursuant thereto~~];

(b) To revoke certificates of need;

(c) To issue, deny, revoke, modify, *or* suspend [~~or probate~~] licenses *or issue provisional licenses in accordance with the provisions of this chapter*[~~, and to inspect health facilities and health services~~]; and

(d)[~~(c)~~] To enforce, through legal actions on its own motion, the provisions of this chapter *and its orders and decisions issued pursuant to this chapter.*

(2) The board shall:

(a) Issue administrative regulations through the secretary:

1. To establish the certificate of need review procedures, including but not limited to, application procedures, notice provisions, procedures for review of completeness of applications, and timetables for review cycles.

2. Establish criteria for issuance and denial of certificates of need which shall be limited to the following considerations:

a. Consistency with plans. The proposal should be consistent with the state health plan. Consideration should be given to other applicable appropriately adopted plans developed by local health planning agencies. In case of inconsistency between the state health plan and other plans considered, the state health plan shall prevail. The fact that the state health plan does not address the specific type of proposal being reviewed does not constitute grounds for disapproval of the proposal;

b. Need and accessibility. The proposal should meet an identified need in a defined geographic area and be accessible to all residents of the area;

c. Interrelationships and linkages. The proposal should serve to accomplish appropriate and effective linkages with other services, facilities, and elements of the health care system in the region and state, accompanied by assurance of effort to achieve comprehensive care, proper utilization of services and efficient functioning of the health care system;

d. Costs, economic feasibility, and resources availability. The proposal, when measured against the cost of alternatives for meeting needs, is judged to be an effective and economical use of resources, not only in terms of capital investment, but also in terms of ongoing requirements for health manpower and operational financing;

e. Quality of services. The applicant should be prepared to and capable of undertaking and carrying out the responsibilities involved in the proposal in a manner consistent with appropriate standards and requirements assuring the provision of quality health care services; and

f. Special needs and circumstances of health maintenance organizations. In the case of a health maintenance organization or an ambulatory care facility or health facility controlled directly or indirectly by a health maintenance organization, the proposal should be consistent with the special needs and circumstances of health maintenance organizations.

3. To establish licensure standards and procedures to ensure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:

a. Patient care standards and safety standards, minimum operating standards, minimum standards for training, required licenses for medical staff personnel and minimum standards for maintaining patient records;

b. Licensure application procedures;

c. Classification of health facilities and health services according to type, size, range of services and level of care provided; and

d. Licensure renewal procedures.

4. To define a substantial change in a project which will require a subsequent review of an approved certificate of need and to establish a procedure for conducting such subsequent review.

(b) Conduct public hearings, as requested, in respect to certificate of need applications, revocations of certificates of need, and denials, suspensions, modifications, or revocations of licenses.

(3) The board shall have the authority to:

(a) Issue *such other* administrative regulations through the secretary *as are necessary for the proper administration of this chapter* [~~of the department for human resources~~];

(b) Authorize its agents or representatives to enter upon the premises of any health facility for the purpose of inspection, and under such conditions as are set forth in administrative regulations promulgated by the board;

(c) Administer oaths, issue subpoenas, subpoenas duces tecum, and all necessary process in proceedings brought before or initiated by the board, and such process shall extend to all parts of the Commonwealth. Service of process in all proceedings brought before or initiated by the board may be made by *certified* [~~registered~~] mail, or in the same manner as other process in civil cases, as the board directs;

(d) Establish by administrative regulation [~~and collect~~] reasonable application fees for certificates of need and licenses;

(e) Appoint technical advisory committees as are deemed necessary to administer the provisions of this chapter; and

(f) *Establish a mechanism for issuing advisory opinions to prospective applicants for certificates of need regarding the requirements of a certificate of need* [~~Notwithstanding the provisions of this chapter, to adopt and promulgate through the secretary of the department for human resources administrative regulations which will insure continued compliance with the minimum requirements set forth under the federal act and the regulations promulgated pursuant to the federal act~~].

SECTION 7. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The department shall:

(a) Make recommendations to the board concerning actions on certificates of need when applications require formal review;

(b) Make recommendations to the board concerning the revocation of certificates of need; and

(c) Make recommendations to the board concerning licenses.

(2) The department shall have authority to:

(a) Grant or deny nonsubstantive review status of certificate of need applications pursuant to Section 19 of this Act; and

(b) Issue or deny certificates of need, when nonsubstantive review status has been granted, after considering the criteria as established by the board and staff recommendations and, when applicable, recommendations of the local health planning agency.

Section 8. KRS 216B.045 is amended to read as follows:

Every order, decision, finding, license or certificate issued or approved by the board *or department* under any of the provisions of this chapter shall be in writing and shall be entered on the records of the board *or department*. [~~A certificate under the seal of the board that any such order, decision, finding, or certificate has not been probated, suspended, modified, revoked, vacated or set aside shall be received in any proceeding as evidence of the facts stated therein.~~]

Section 9. KRS 216B.050 is amended to read as follows:

The board *or department* may compel obedience to its lawful orders by mandamus, injunction or other proper proceedings in the Franklin Circuit Court or any other circuit court of competent jurisdiction. Every order entered by the board *or department* shall continue in force until the expiration of the time, if any, named by the board *or department* in the order, or until revoked or modified [~~by the board~~].

Section 10. KRS 216B.055 is amended to read as follows:

Notice of decisions and orders made by the board *or department* under the provisions of this chapter shall be made by certified mail addressed to the last known address on file with the *department or* board, or by personal service. *Such notice shall be mailed or personal service shall be obtained no later than fifteen (15) working days after the decision or order. Notice shall be complete and effective upon mailing.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Unless otherwise provided in this chapter, no person shall do any of the following without first obtaining a certificate of need:

(a) Establish a new health facility;

(b) Obligate a capital expenditure which exceeds the capital expenditure minimum;

(c) Make a substantial change in the bed capacity of a health facility;

(d) Make a substantial change in a health service;

(e) Acquire major medical equipment;

(f) Alter a geographical area which has been designated on a certificate of need or license;

(g) Transfer an approved certificate of need for the establishment of a new health facility or the replacement of an existing facility.

(2) No person shall separate portions of a single project into components in order to evade any expenditure minimum set forth in this chapter. For purposes of this chapter, the acquisition of one (1) or more items of functionally related diagnostic or therapeutic equipment shall be considered as one (1) project.

(3) No person shall have ex parte contact with any member of the board regarding a certificate of need application from the commencement of the review cycle to the final decision. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(4) No person shall obligate a capital expenditure in excess of the amount authorized by an existing certificate of need unless he has received an administrative escalation from the board as prescribed by regulation.

(5) No person shall proceed to obligate a capital expenditure under an approved certificate of need if there has been a substantial change in the project.

(6) A certificate of need is issued for a specific location and, when applicable, for a designated geographical area.

SECTION 12. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Applications for certificates of need shall be submitted according to timetables established by the board by administrative regulation. Once an application has been deemed complete pursuant to the board's adopted regulations, notice shall be given as provided by the regulations of the beginning of the review, the proposed review schedule, and the right to request a hearing. The review shall be deemed to commence on the date of notice. No review shall take longer than ninety (90) days from the commencement of the review unless the applicant agrees to a deferral of action.

(2) Applications proposing the same or similar types of services, facilities, or equipment shall be batched for review purposes, excluding those granted nonsubstantive review status. The board shall by regulation establish appropriate batching groups to assure that applications for each type of service, facility, or equipment will be eligible for consideration at set intervals. In each review batch, the board shall review and, if appropriate, compare all timely filed applications proposing similar types of services, facilities, or equipment in the same health service areas.

Section 13. KRS 216B.065 is amended to read as follows:

(1) Before any person enters into a contractual agreement to acquire an existing health [~~care~~] facility [~~or major medical equipment~~] which arrangements will require the obligation of a capital expenditure *which exceeds the capital expenditure minimum, or to acquire major medical equipment*, such person shall notify the board of the person's intent to acquire such a facility or major medical equipment and of the services to be offered in the facility and its bed capacity or the use of such medical equipment. *The* [~~Such~~] notice shall be in writing and shall be *filed* [~~made~~] at least thirty (30) days prior to *entry into a contract* [~~any~~

~~contractual arrangements~~] to acquire the *health* facility or major medical equipment with respect to which the notice *is* [~~was~~] given.

(2) A certificate of need shall be required for the acquisition of a health [~~care~~] facility or major medical equipment, only if:

(a) The notice required in this section is not filed; or

(b) The board finds within thirty (30) days after the date it received *such* [~~a~~] notice [~~in accordance with subsection (1) of this section with respect to such acquisition,~~] that the health services or bed capacity of the health [~~care~~] facility will be substantially changed in being acquired, or in the case of major medical equipment, *the* [~~such~~] equipment will be used to provide services for inpatients of a health care facility.

(3) Donations and leases of major medical equipment and health [~~care~~] facilities shall be considered acquisitions of [~~such~~] equipment and facilities, and an acquisition of medical equipment *or a facility* for less than fair market value shall be considered an acquisition [~~of major medical equipment~~] if *the* [~~its~~] fair market value exceeds the expenditure minimum.

(4) Before any health facility reduces or terminates a health service or reduces its bed capacity, the facility shall notify the board of its intent. The notice shall be in writing and shall be filed at least thirty (30) days prior to the reduction or termination. A certificate of need shall be required for the reduction or termination only if the notice required in this section is not filed.

SECTION 14. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Before a health facility acquires major medical equipment to be used solely for research, offers a health service solely for research or makes or obligates a capital expenditure solely for research, which exceeds the prescribed minimum, the health facility shall notify the board of its intent to do so. Such notice shall be in writing and shall be made sixty (60) days prior to the acquisition, offering, or making or obligation of the expenditure with respect to which notice is given. The notice shall state the use to be made of the major medical equipment, health service or capital expenditure.

(2) A certificate of need shall be required for the acquisition of major medical equipment solely for research, the offering of a health service solely for research or the making or obligating of a capital expenditure solely for research by a health facility, only if:

(a) The notice required by this section is not filed; or

(b) The board finds within sixty (60) days after it receives notice that the project or transaction for which notice is given will affect the charges of the facility for the provision of medical or other patient care services other than services which are included in the research, will substantially change the bed capacity of the facility, or will substantially change the medical or other patient care services of the facility which were offered before the acquisition, offering, making or obligation.

(3) If major medical equipment is acquired, a health service is offered or a capital expenditure is made or obligated and, pursuant to this section, no certificate of need is required, such equipment or service or facilities acquired through the capital expenditure may not be used in a manner which would affect the charges of the facility for the provision of medical or other patient care services other than that included in the research, substantially change the bed capacity of the facility or substantially change the medical or other patient care services of the facility unless a certificate of need is issued.

(4) For purposes of this section, "solely for research" means patient care provided on an occasional and irregular basis and not as part of a research project.

Section 15. KRS 216B.070 is amended to read as follows:

A certificate of need shall not be required of a health maintenance organization *for the establishment of a health facility, or the acquisition of major medical equipment, or the obligation of capital expenditures for the provision of a health service* [~~for the offering of an inpatient institutional health service, or the acquisition of major medical equipment for the provision of a new institutional health service, or the obligation of capital expenditures for the provision of an institutional health service~~] except as may be allowed by the federal act or the regulations issued pursuant to the federal act. A health maintenance organization shall file an application for an exemption with the board pursuant to administrative regulations promulgated by the board.

Section 16. KRS 216B.085 is amended to read as follows:

(1) Any time *no later than* [~~within~~] thirty (30) days *after* [~~of~~] the date the review commences, any *affected* person [~~directly affected by the review or any applicant seeking an exemption pursuant to this chapter,~~] may request a public hearing. Hearings shall be before a quorum of the board, or at the request of the chairman, before a hearing officer designated by the secretary [~~of the department for human resources~~], and shall be in addition to any hearing which may have been conducted before *a local* [~~the~~] health *planning* [~~systems~~] agency. The hearing officer shall be authorized to administer oaths, issue subpoenas, subpoenas duces tecum, and all necessary process in such proceedings. [~~For purposes of this section, "persons directly affected" include, at a minimum, the applicant whose proposal is being reviewed, a third party payor, the health systems agency for the area within which the proposed project is to be located, health care facilities~~

~~and health maintenance organizations located in the health service area within which the proposed project is to be located and members of the public who are to be served by the proposed project.~~]

(2) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of *the* [~~such~~] hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(3) At the hearing, any *party to the proceedings* [~~person~~] shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the matter which is the subject of the hearing *and* [~~; any person directly affected~~] may conduct reasonable cross examination under oath of persons who make factual allegations relevant to such matters. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's decision is appealed pursuant to this chapter.

(4) [~~Any person directly affected who appears on record at the hearing or, in the absence of a hearing, any person directly affected who submits written information to the board shall be deemed to be a party to the proceedings.~~

~~(5)~~] Any decision of the board to issue *or* [~~,~~] deny [~~or withdraw~~] a certificate of need [~~or to approve or disapprove an application for an exemption under this chapter~~] shall be based solely on the record established with regard to the matter. [~~The record shall include in addition to any other items required by administrative regulations promulgated by the board:~~

~~(a) The application filed and any information provided by the applicant at the request of a health systems agency or the board;~~

~~(b) Any information provided by a holder in response to a notice of intent to withdraw a certificate of need;~~

~~(c) Any staff reports, memoranda or documents prepared by or for a health systems agency or the board regarding the matter under review which were introduced at any hearing;~~

~~(d) The recommendation made by a health systems agency to the board;~~

~~(e) Any information provided by affected persons which was introduced at a hearing;~~

~~(f) Any other evidence admitted in a hearing held with respect to the matter under review; and~~

~~(g) The findings of fact and recommendation of the hearing officer.~~

~~(6) The board's decision shall be consistent with the state health plan.~~

~~(7)~~] All decisions granting, denying *or* [~~,~~] modifying [~~or withdrawing~~] a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the decision *and the decision shall be final for purposes of judicial appeal unless a request for reconsideration is filed. An approved certificate of need shall be issued forty (40) days after notice of the board's decision unless a request for reconsideration is filed or a judicial appeal is taken.* [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative appeal is taken.~~

~~(8) After the commencement of a hearing before the board and before a decision is made on an application for, or a proposed withdrawal of, a certificate of need, there shall be no ex parte contacts with regard to the pending action between any board member or other person associated with the board who exercises any discretion respecting the application or proposed withdrawal; and~~

~~(a) The applicant for the certificate of need or the holder of the certificate proposed to be withdrawn; or~~

~~(b) Any person acting in behalf of such applicant or holder; or~~

~~(c) Any person opposed to the issue of the certificate of need or in favor of the withdrawal of the certificate.~~

~~In the event that an ex parte contact occurs, it shall be promptly reported to the board and made a part of the record.~~]

SECTION 17. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The board may revoke a certificate of need for failure of the holder of the certificate to implement the project in accordance with timetables for implementation established by administrative regulation of the board. The board shall give notice to the holder of the certificate of its initial decision to revoke the certificate of need. The board's initial decision to revoke a certificate of need shall become final after thirty (30) days unless a hearing is requested. The executive director shall give notice to the holder of the certificate of a decision which has become final under the provisions of this subsection.

(2) The holder of the certificate of need to be revoked may request in writing a public hearing in respect to an initial decision by the board to revoke a certificate of need within thirty (30) days of the date of notice of such initial decision. Failure to request a hearing shall constitute a waiver of any right to reconsideration or judicial appeal of a final board decision to revoke a certificate of need.

(3) The hearing shall be before the board, or at the request of the chairman, before a hearing officer designated by the secretary. The hearing shall be no later than thirty (30) days after the request for the hearing is filed.

(4) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of such hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(5) At the hearing, any party to the proceedings shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the revocation of the certificate of need, and may conduct reasonable cross examination under oath of persons who testify. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's final decision is appealed pursuant to this chapter.

(6) After the issuance of an initial decision to revoke a certificate of need and before a final decision is made, no person shall have ex parte contacts with members of the board regarding the revocation. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(7) If a hearing is requested after notice of the board's initial decision to revoke a certificate of need, the board shall make a final decision at its next regularly scheduled meeting after the hearing. Any final decision revoking a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the final decision.

(8) Any final decision of the board to revoke a certificate of need shall be based solely on the record established with regard to the revocation.

(9) Except as provided in subsection (1) of this section, reconsideration pursuant to Section 18 of this Act or judicial appeal pursuant to Section 21 of this Act is available with regard to a final decision of the board to revoke a certificate of need.

Section 18. KRS 216B.090 is amended to read as follows:

(1) Any *party to the proceedings* [~~person~~] may, for good cause shown, request in writing a hearing for purposes of reconsideration of a [~~board~~] decision *of the board pertaining to a certificate of need or the revocation of a certificate of need* under such procedures as are promulgated by administrative regulation. The request shall be filed within fifteen (15) days of the *notice of the* [~~board's~~] decision *and the board shall consider the request at its next regularly scheduled meeting.* For purposes of this section there shall be deemed to be "good cause shown" if the request for a public hearing:

(a)[~~(1)~~] Presents significant, relevant information not previously available for consideration by the board; or

(b)[~~(2)~~] Demonstrates that there have been significant changes in the factors or circumstances relied upon by the board in reaching its decision; or

(c)[~~(3)~~] Demonstrates that the board has materially failed to follow its adopted procedures in reaching its decision.

(2) If a public hearing is granted [~~by the board~~], it shall be held within thirty (30) days after the decision to grant the request for reconsideration [~~is filed~~]. The hearing shall be conducted in accordance with the provisions of this chapter. *The board shall make its decision on reconsideration at its next regularly scheduled meeting after the public hearing, and shall give notice thereof. The decision of the board shall be final for purposes of judicial appeal. An approved certificate of need shall be issued forty (40) days after notice of the board's decision unless a judicial appeal is taken.*

Section 19. KRS 216B.095 is amended to read as follows:

(1) *An applicant* [~~The board~~] may waive the procedures for [~~a~~] formal review of an application for a certificate of need and *request* [~~substitute therefor~~] a nonsubstantive review *as provided below.* The *department* [~~board~~] shall grant or deny nonsubstantive review status within fifteen (15) days of the date the application is *deemed completed and* [~~filed. The board~~] shall give notice *to all affected persons of* [~~as to~~] its decision to conduct a nonsubstantive review [~~to all affected persons~~]. *Any affected person other than the applicant may request a hearing before the department or its designated hearing officer by filing a request for a hearing with the department within fifteen (15) days of the department's notice to conduct a nonsubstantive review. As applicable, hearings shall be conducted as provided in Section 16 of this Act. Based solely upon the record established with regard to the matter.* The *department* [~~board~~] shall issue or deny a certificate of need on all projects assigned nonsubstantive review status within forty-five (45) days of the determination of nonsubstantive review status. If the *application* [~~applicant's project~~] is denied nonsubstantive review status *it will automatically be placed in the formal review process* [~~or is denied a certificate of need following a nonsubstantive review, the applicant may apply for a certificate of need under the formal procedures outlined under this chapter~~].

(2) *If a certificate of need is denied following a nonsubstantive review, the applicant may request that the application be placed in the next cycle of the formal review process. Nothing in this subsection shall require an applicant to pursue a formal review before obtaining judicial review pursuant to Section 21 of this Act* [~~A project which would normally be subject to formal review shall be assigned nonsubstantive review status if the proposed project involves capital expenditures and/or modification of health facilities or services in emergency circumstances that pose a threat to public health. Emergency circumstances shall include acts of God, fire, vandalism, structural and/or mechanical failure and other similar situations which~~

~~if not promptly acted upon would pose a threat to public health. Any applicant acting under this section must file within thirty (30) days of such occurrence, an application with the board for a nonsubstantive review~~].

(3) The *department* [~~board~~] shall grant nonsubstantive review status *to* [~~and, notwithstanding the criteria adopted by the board, shall approve~~] an application for a certificate of need [~~for a capital expenditure~~] which is required:

(a) In emergency circumstances which, if not promptly acted upon, would pose a threat to the health and safety of the patients. Emergency circumstances shall include acts of God, fire, vandalism, structural or mechanical failure and other similar situations. Any applicant acting under this subsection may proceed to relieve circumstances threatening the health and safety of the patients, provided the department is consulted prior to such action and the application is submitted within thirty (30) days of the occurrence of the emergency; or

(b)[~~(a)~~] To eliminate or prevent imminent safety hazards as defined by federal, state, or local fire, building, or life safety codes or regulations; or

(c)[~~(b)~~] To comply with licensure standards; or

(d)[~~(c)~~] To comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the social security act or payments under a state plan for medical assistance approved under title XIX of such act*; or* [~~:~~
~~Unless the board finds the facility or service with respect to which such capital expenditure is proposed to be made is not in fact so required; or to the extent the facility or services contemplated by the proposed capital expenditure is addressed in the state health plan, the board finds that such capital expenditure is not consistent with the state health plan. An application for a certificate of need approved under this section shall be approved only to the extent that the capital expenditure is so required.~~

~~(4) The board shall grant nonsubstantive review status for a capital expenditure which is required:~~]

(e)[~~(a)~~] To replace or repair worn equipment provided such worn equipment shall have been used by the applicant in a health facility for five (5) years or more; or

(f)[~~(b)~~] To make repairs, alterations or improvements to *the physical plant of* a health facility which do not result in a substantial change in beds, [~~or~~] a substantial change in health services, [~~;~~] or *the addition of equipment. In no event shall repairs, alterations or improvements be construed to mean the replacement or the relocation of a health facility; or*

(g)[~~(c)~~] In such other circumstances as the board may by regulation prescribe.

(4) Notwithstanding any other provision to the contrary in this Act, the department shall issue a certificate of need for a project required for the purposes set out in (a) through (d) of subsection (3) hereof unless it finds the facility or service with respect to which such capital expenditure is proposed to be made is not in fact so required; or to the extent the facility or services contemplated by the proposed capital expenditure is addressed in the state health plan, the department finds that such capital expenditure is not consistent with the state health plan.

(5) The decision of the department issuing or denying a certificate of need pursuant to this section shall be final for purposes of judicial appeal unless the applicant requests the application be placed in the formal review process. An approved certificate shall be issued forty (40) days after notice of the department's decision unless a judicial appeal is taken.

[~~Provided, however, in conducting such review the board shall consider the criteria used for formal reviews.~~]

Section 20. KRS 216B.105 is amended to read as follows:

(1) Unless otherwise provided in this chapter, no person shall operate any health facility [~~or health service~~] in this Commonwealth without first obtaining a license issued by the board which license shall specify the kind or kinds of health services the facility is authorized to provide. A license shall not be transferable *and shall be issued for a specific location and, if specified, a designated geographical area.*

[~~(2) No license shall be issued to an applicant who is in violation of the provisions of this chapter.~~

~~(3) The board shall adopt and promulgate by administrative regulations licensure standards and procedures which shall insure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:~~

~~(a) Patient care standards and safety standards, minimum operating standards, minimum standards for training and required licenses for medical staff personnel, and minimum standards for maintaining patient records;~~

~~(b) Application procedures;~~

~~(c) Classification and categorization of health facilities and health services according to character, size, range of services provided, type and level of care required;~~

~~(d) Classification or category of health facilities and health services which must be met in order to receive a license to operate and maintain health facilities and health services;~~

~~(e) Renewal procedures;~~

~~(f) Fees and charges.~~]

(2)[~~(4)~~] The board shall have the authority to deny, *revoke* [~~suspend, probate~~], modify or *suspend* [~~revoke~~] a license in any case in which it finds that there has been a substantial failure to comply with the

provisions of this chapter or the rules and regulations promulgated hereunder. Such denial, *revocation* [~~suspension~~], modification, [~~probation,~~] or *suspension* [~~revocation~~] shall be effected by mailing to the applicant or licensee, by certified mail, a notice setting forth the particular reasons for such action. Such denial, *revocation* [~~suspension~~], modification, [~~probation~~] or *suspension* [~~revocation~~] shall become final and conclusive thirty (30) days after *notice is given* [~~the mailing~~] unless the applicant or licensee, within said thirty (30) day period, shall *file a* request in writing *for* a hearing [~~before the board~~].

(3) The hearing shall be before the board, or at the request of the chairman, by a hearing officer designated by the secretary.

[~~(5) Hearings pertaining to licensure shall be before a quorum of the board, or at the request of the chairman, by a hearing officer designated by the secretary of the department for human resources.~~

~~(a) Hearing officers appointed under this section shall have the power to issue subpoenas and administer oaths.~~]

(4)[~~(b)~~] If the hearing is before a designated hearing officer, within thirty (30) days from the conclusion of the hearing, the hearing officer shall transmit his findings and recommendations *to the board,* with a synopsis of the evidence contained in the record and a statement of the basis of his findings [~~to the board~~]. The applicant or licensee shall be entitled to be represented at the hearing in person or by counsel, or both, and shall be entitled to introduce testimony by witnesses or, if the board so permits, by depositions. A full and complete record shall be kept of all hearings, and all testimony shall be reported but need not be transcribed unless the decision is appealed pursuant to this chapter. The board *may adopt the hearing officer's findings and recommendations or* [~~shall~~] prepare written findings of fact and state the basis for its decision which shall become part of the record of the proceedings.

(5)[~~(6)~~] All [~~hearing~~] decisions revoking, suspending, [~~probating,~~] modifying or denying licenses shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the applicant or licensee of the decision. [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative review is taken.~~]

(6) The decision of the board shall be final for purposes of judicial appeal upon notice of the board's decision.

Section 21. KRS 216B.115 is amended to read as follows:

(1) An appeal to the Franklin Circuit Court may be taken from any final decision of the *board or department with respect to a certificate of need application, a certificate of need, or a license, by any party to the proceedings* [~~appeals officer or the board's decision upon remand, by the appeals officer, by any party adversely affected by the decision with respect to a certificate of need, an application for an exemption under this chapter, or a license~~].

(2) An appeal may be taken by filing a petition for review in the Franklin Circuit Court within thirty (30) days after *notice* [~~the rendition~~] of the final decision. *A request for reconsideration filed pursuant to Section 18 shall toll the time for filing a judicial appeal until notice of the board's decision not to reconsider or notice of its decision on reconsideration is given.* The petition shall state completely the grounds upon which the review is sought and shall assign all errors relied upon. The petitioner shall serve a copy of the petition to each person who was a party to the *proceedings* [~~administrative appeal~~]. Summons shall be issued upon the petition directing the adverse party or parties to file *an* answer within twenty (20) days after service of summons. The board *or department* shall, upon being served with the summons[~~,~~] and within thirty (30) days thereafter, file a copy of the record, duly certified by the *department or the* executive director of the board, the cost of *the* [~~such~~] record to be taxed as costs upon appeal. In lieu of filing of such record an abstract thereof may be filed if all parties to the [~~judicial~~] appeal agree.

Section 22. KRS 216B.120 is amended to read as follows:

(1) Each party to the *proceedings* [~~administrative appeal~~] may *participate as a party* [~~appear~~] in the proceedings in the circuit court on an appeal.

(2) In case of *an appeal* [~~appeals~~], no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of this chapter and affecting the *decision or* order; the court shall hear the case upon the certified record or abstract thereof, and shall dispose of the case in *a* [~~the~~] summary manner, its review being limited to determining whether [~~or not~~] the board *or department* acted within its jurisdiction, *whether* the *decision or* order was procured by fraud, and *whether* the findings of fact in issue are supported by substantial evidence and are not clearly erroneous based upon a review of the record as a whole.

(3) The court shall enter judgment *affirming* [~~confirming~~], modifying, *reversing* or setting aside the decision or, in its discretion, remanding the case to the board *or department* for proceedings in conformity with the directions of the court.

(4) Any party to the judicial appeal may appeal from the circuit court to the Court of Appeals in accordance with the Kentucky Rules of Civil Procedure.

Section 23. KRS 216B.125 is amended to read as follows:

In the event the *department or* board fails to *issue or deny* [~~approve or disapprove an application for~~] a certificate of need or an exemption pursuant to this chapter[~~,~~] within the time prescribed under this chapter or administrative regulations promulgated by the board, the applicant may seek judicial enforcement of this chapter by filing a civil action in Franklin Circuit Court.

Section 24. KRS 216B.130 is amended to read as follows:

Any other provisions of this chapter notwithstanding, any expenditure minimum or limit as provided in this chapter[~~,~~] shall be *adjusted* [~~increased~~] for each twelve (12) month period beginning twelve (12) months after this section is enacted [~~and for each twelve (12) month period thereafter shall be adjusted~~] to reflect the changes in the preceding twelve (12) month period in *a cost* [~~an~~] index designated by regulation [~~pursuant to the federal act~~] for the purposes of making such adjustment. The board shall *effect* [~~reflect~~] such adjustment by [~~the promulgation of~~] administrative regulations.

SECTION 25. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) All monies derived from applicants seeking certificates of need or licenses or from any other sources connected with this chapter shall be promptly paid over to the state treasurer, who shall deposit such monies in a special fund which, in addition to appropriated funds, shall be used to carry out the purposes of this chapter and for no other purpose.

(2) Any fine imposed for the violation of this chapter shall, when collected, be paid into the general fund.

Section 26. KRS 216B.990 is amended to read as follows:

(1) Any person who, in willful violation of this chapter, operates a health facility [~~or health service~~] without first obtaining a license[~~,~~] or continues to operate a health facility [~~or health service~~] after a final decision[~~,~~] suspending or *revoking* [~~revocating~~] a license, shall be fined not less than five hundred dollars ($500) nor more than *ten thousand dollars ($10,000)* [~~three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(2) Any person who, in willful violation of this chapter, acquires major medical equipment, *establishes a health facility*; [~~offers a new institutional service; makes a substantial expenditure in preparation for the offering of such equipment or health services;~~] or obligates a capital expenditure without first obtaining a certificate of need, or after the applicable certificate of need has been withdrawn, shall be fined *one percent (1%) of the capital expenditure involved but* not less than five hundred dollars ($500) [~~nor more than three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(3) Any hospital acting by or through its agents or employes which violates *any provision* [~~the provisions~~] of KRS 216.453 shall be punished by a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

Section 27. The following KRS sections are repealed.

216B.060 Certificate of need required, when.

216B.080 Criteria for issuance or denial of certificates and for allowance or disallowance of exemptions to be adopted.

216B.100 Separation of components of a project prohibited.

216B.110 Administrative review.

The Committee on Appropriations and Revenue reported **HB 460**, with Committee Substitute attached, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 460, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) There shall be allowed, as a credit for any taxpayer against the tax imposed by this chapter for any taxable year, an amount equal to fifty percent (50%) of the qualified wages paid for such year.

(2) The term "qualified wages" means, with respect to any individual, wages attributable to service rendered during the taxable year that said individual begins work for the taxpayer, provided that such individual has been classified as unemployed by the bureau for social insurance of the department for human resources, and has been so classified for at least thirty (30) days prior to his employment by the taxpayer.

(3) The amount of qualified wages which may be taken into account with respect to any individual for any taxable year shall not exceed six thousand dollars ($6,000).

(4) For the purposes of this Act, "wages" has the meaning given to such term by subsection (b) of section 3306 of the Internal Revenue Code. The term "wages" shall not include any amounts paid by the taxpayer for any period to any individual for whom the taxpayer receives federally funded payments for on-the-job training of such individual for such period.

(5) For the purposes of this Act, "Code" or "Internal Revenue Code" means the Internal Revenue Code in effect as of December 31, 1981.

(6) For purposes of this Act, remuneration paid by an employer to an employe during any taxable year shall be taken into account only if more than one-half (½) of the remuneration so paid is for services performed in a trade or business of the employer.

(7) No wages shall be taken into account under subsection (3) of this Act with respect to an individual who:

(a) Bears any of the relationships to the taxpayer described in paragraphs (1) through (8) of section 152(a) of the Internal Revenue Code, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than fifty percent (50%) in value of the outstanding stock of the corporation as determined with the application of section 267(c) of the code; or

(b) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in paragraphs (1) through (8) of section 152(a) of the code to a grantor, beneficiary, or fiduciary of the estate or trust; or

(c) Is a dependent of the taxpayer as described in code section 152(a)(9), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

(8) For purposes of this Act, all employes of all corporations which are members of the same controlled group of corporation shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by subsection (1) of this Act to each such member shall be its proportionate share of the wages giving rise to such credit. For purposes of this subsection, the term "controlled group of corporations" has the meaning given to such term by code section 1563(a), except that "more than fifty percent (50%)" shall be substituted for "at least eighty (80%)" each place it appears in code section 1563(a)(1), and the determination shall be made without regard to subsections (a)(4) and (e)(3)(c) of code section 1563.

(9) For purposes of this Act, all employes of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and the credit (if any) allowable by subsection (1) of this Act with respect to each trade or business shall be its proportionate share of the wages giving rise to such credit.

(10) No credit shall be allowed under subsection (1) of this Act to any organization which is exempt from income tax by this chapter.

(11) In the case of an electing small business corporation, the amount of the credit determined under this Act for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of the taxable year, and any person to whom such an amount is so apportioned shall be allowed, subject to code section 53, a credit under subsection (1) of this Act for such amount.

(12) In the case of an estate or trust, the amount of the credit determined under this Act for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of income of the estate or trust allocable to each, and any beneficiary to whom any amount has been apportioned under this subsection shall be allowed, subject to code section 53, a credit under subsection (1) of this Act for such amount.

(13) In no event shall the credit allowed, pursuant to this Act, for any taxable year exceed the tax liability of the taxpayer for the taxable year.

Committee Substitute to **HB 460** is as follows:

HB 460, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of this Act, "Code" or "Internal Revenue Code" means the Internal Revenue Code in effect as of December 31, 1981.

(2) There shall be allowed as a credit for any taxpayer against the tax imposed by this chapter for any taxable year, an amount equal to one hundred dollars ($100) for each person hired by the taxpayer, provided such person has been classified as unemployed by the bureau for social insurance of the department for human resources, and has been so classified for at least sixty (60) days prior to his employment by the taxpayer, and further provided that such person has remained in the employ of the taxpayer for at least 180 consecutive days during the taxable year in which the taxpayer claims the credit.

(3) No credit shall be allowed to any taxpayer for any person hired under any of the following circumstances:

(a) A person for whom the taxpayer receives federally funded payments for on-the-job training; or

(b) For any person who bears any of the relationships to the taxpayer described in paragraphs (1) through (8) of section 152(a) of the Internal Revenue Code, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than fifty percent (50%) in value of the outstanding stock of the corporation as determined with the application of section 267(c) of the code; or

(c) If the taxpayer is an estate or trust, to any person who is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in paragraphs (1) through (8) of section 152(a) of the code to a grantor, beneficiary, or fiduciary of the estate or trust; or

(d) To any person who is a dependent of the taxpayer as described in code section 152(a)(9), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate of trust.

(4) For purposes of this Act, all employes of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In no instance shall the credit, if any, allowable by subsection (2) of this Act for any employe qualified thereunder be claimed more than once for any taxable year by such a controlled group of corporations. For purposes of this subsection, the term "controlled group of corporations" has the meaning given to such term by code section 1563(a), except that "more than fifty percent (50%)" shall be substituted for "at least eighty percent (80%)" each place it appears in code section 1563(a)(1), and the determination shall be made without regard to subsections (a)(4) and (e)(3)(c) of code section 1563.

(5) For purposes of this Act, all employes of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and in no instance shall the credit, if any, allowable by subsection (2) of this Act for any employe qualified thereunder be claimed more than once for any taxable year.

(6) No credit shall be allowed under subsection (2) of this Act to any organization which is exempt from income tax by this chapter.

(7) In the case of an electing small business corporation, the amount of the credit determined under this Act for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of the taxable year, and any person to whom such an amount is so apportioned shall be allowed, subject to code section 53, a credit under subsection (2) of this Act for such amount.

(8) In the case of an estate or trust, the amount of the credit determined under this Act for any taxable year shall be appportioned between the estate or trust and the beneficiaries on the basis of income of the estate or trust allocable to each, and any beneficiary to whom any amount has been apportioned under this subsection shall be allowed, subject to code section 53, a credit under subsection (2) of this Act for such amount.

(9) In no event shall the credit allowed, pursuant to this Act, for any taxable year exceed the tax liability of the taxpayer for the taxable year.

Adjournment

Representative LeMaster moved that the House adjourn until 2:00 p.m., Tuesday, March 16, 1982.

On the roll call the vote was yeas 45-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Burch, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Freibert, Fryman, Hancock, Head, Hines, Holloway, T. Jones, Layman, LeMaster, Little, McBee, Moberly, Nett, Noland, Pearman, Petty, Rapier, Richards, P. Richardson, B. Smith, F. Smith, Stumbo, Thomason, Turner, Van Horn, Worthington, Yates. Nays 13-Blevins, Endicott, Ford, Guenthner, Heleringer, Holbrook, Lile, List, Maggard, Meyer, Perkins, Robinson, Thomas.

The motion to adjourn was adopted.

TUESDAY, MARCH 16, 1982

FORTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend Kenneth Pierce, Sardis Methodist Church, Nancy, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 15, 1982, be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 78, SB 103, SB 252, SB 287, SB 329, SB 394,** and **HB 324.**

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Business Organizations and Professions: **SB 348.**

Counties and Special Districts: **SB 317.**

Education: **SB 148, SB 302, SB 392.**

Judiciary-Civil: **SB 289, SB 354.**

Natural Resources and Environment: **SB 386, SB 393.**

State Government: **SB 291, SB 327, SR 50.**

Transportation: **SB 342.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary-Civil: **HB 600, HB 481.**

Natural Resources and Environment: **SB 247.**

Agriculture and Small Business: **SB 313.**

Business Organizations and Professions: **SB 268.**

Report of Committees

The Committee on Rules reported **HB 208, HB 693, HB 697, HB 507, HB 703, HB 791, HB 533, HB 571, HB 744, HB 802, HB 213, HB 362, HB 391, HB 444, HB 510, HJR 75, HR 82,** and **SB 165** have been posted for passage in Orders of the Day, March 17, 1982.

The Committee on Rules reported the following Bills and Resolutions have been recommitted:

Appropriations and Revenue: **HB 673, HB 799.**

State Government: **HB 416.**

Natural Resources and Environment: **HJR 59.**

The Committee on Cities reported **HB 620** with Committee Substitute attached thereto, **HB 667, HB 768** with Committee Substitute attached thereto, and **HCR 70** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 620, AN ACT relating to local government.

Whereas, the establishment of a 911 emergency telephone number system may improve emergency communication procedures and facilities by reducing response time for emergency calls for law enforcement, fire, and emergency medical services;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

(1) "Main station access line" means a telephone line or channel which has a unique telephone number, terminates on some type of telephone instrument and provides local access from the premises of a subscriber in this state to the local telecommunications network to effect the transfer of information.

(2) "911 emergency telephone number system" means a system whereby through availability of the three-digit number 911 (which has been designated for public use throughout the United States), the public is given direct access to an emergency answering center to report an emergency and request emergency assistance, which system may be a basic or enhanced 911 system and may include, but not be limited to, such features as selective routing, automatic number identification, automatic location identification, called party hold, ring-back, and forced disconnect.

(3) "Provider" means a public utility which provides main station access line services.

(4) "Subscriber" means a person who receives main station access line services.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) By following the procedures established by this Act, any city of the first or second class, any county or any urban county government may establish a 911 emergency telephone number system upon approval of the governing body of the city, county or urban county government. The method provided by this Act for establishing a 911 emergency telephone number system shall not be deemed to be exclusive.

(2) Any city of the first or second class, any county, or urban county government may by ordinance impose a special tax to fund a 911 emergency telephone number system in the form of a surcharge on subscribers not to exceed three (3) percent of the amount charged for each main station access line; provided that the ordinance is submitted to the voters as a public question as provided in this Act.

(3) Any city of the first or second class, any county or any urban county government, or any combination thereof, may with the approval of their governing bodies enter into an interlocal cooperation agreement creating a joint 911 emergency telephone number system and imposing the special tax aforesaid, which shall be submitted to the voters as a public question as provided in this Act. Any such special tax shall be deemed to be approved if approved by a majority of the voters voting on the question within the total geographic area in which the question is submitted.

(4) Any ordinance or interlocal cooperation agreement may confer a power of amendment over its terms upon the governing bodies of the cities, counties and/or urban county governments adopting it; provided that no such amendment shall permit a special tax imposed pursuant to this section to exceed three (3) percent. If any city of the first or second class, any county or any urban county government desires to become a party to an existing interlocal cooperation agreement creating a joint 911 emergency telephone number system, it may do so through an appropriate amendment approved by the governing bodies of the cities, counties and urban county governments which adopted the interlocal cooperation agreement. Only if the joinder of a city, county or urban county government would result in its residents becoming subject to the special tax authorized by this section would the approval of its voters be needed for imposition of the special tax.

(5) Any city of any class, which provides law enforcement, fire or emergency medical services to its residents and has the capability to dispatch those services, and which lies within a county which has

established by its own ordinance or by interlocal cooperation agreement a countywide 911 emergency telephone number system as provided in this Act, may, by ordinance of its own governing body and by passage of a new county ordinance or appropriate amendment to an existing interlocal cooperation agreement approved by the governing bodies of the parties to those agreements, become a party to the county ordinance or existing interlocal cooperation agreement, or may by ordinance of its own governing body require that the countywide system permit it to handle dispatch of its own law enforcement, fire or emergency medical services in a manner which does not interfere with the orderly dispatch of such services for the remainder of the community.

(6) Any interlocal cooperation agreement so approved shall provide for the allocation of the proceeds of the special tax authorized by this section.

(7) Any provider operating within any city, county or urban county government in which the special tax authorized by this section has been imposed shall collect the tax by means of its regular monthly billing and remit it as provided by the applicable ordinance or interlocal cooperation agreement.

SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

The procedure for placing question on the ballot shall be as follows:

(1) The public question authorized by this section may be submitted to the voters only by resolution of the appropriate legislative body or bodies. The resolution shall set out in full the matter to be considered and shall be drafted in such a way that a vote in favor of adoption shall be a vote in favor of the effect or impact of the proposal.

(2) Upon receipt of a resolution requesting that the question be submitted to the voters, the county clerk shall place upon the appropriate ballot for the next primary or regular election that is held not earlier than ninety (90) days after receipt of the resolution the question to be submitted to the voters, which question shall be "Are you in favor of the proposal entitled...? Yes.... No....?" The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as the sample ballot, the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal.

(3) The provisions of general election law shall apply to public questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the mayor or county judge/executive, or both, and the certificate shall be entered upon the records of the city or county, or both, at the next regular meeting of the city or county legislative body, or both.

SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

A provider in an area served by a 911 emergency telephone number system established pursuant to Section 2 of this Act shall convert every pay station telephone within the area served by the 911 system to permit a caller to dial 911 without first depositing a coin or paying any other charge. Conversion shall be completed within three (3) years of the time the 911 system is operational.

Committee Substitute to **HB 620** is as follows:

HB 620, AN ACT relating to local government.

Whereas, the establishment of a 911 emergency telephone number system may improve emergency communication procedures and facilities by reducing response time for emergency calls for law enforcement, fire, and emergency medical services;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

(1) "Main station access line" means a telephone line or channel which has a unique telephone number, terminates on some type of telephone instrument and provides local access from the premises of a subscriber in this state to the local telecommunications network to effect the transfer of information.

(2) "911 emergency telephone number system" means a system whereby through availability of the three-digit number 911 (which has been designated for public use throughout the United States), the public is given direct access to an emergency answering center to report an emergency and request emergency assistance, which system may be a basic or enhanced 911 system and may include, but not be limited to, such features as selective routing, automatic number identification, automatic location identification, called party hold, ring-back, and forced disconnect.

(3) "Provider" means a public utility which provides main station access line services.

(4) "Subscriber" means a person who receives main station access line services.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) By following the procedures established by this Act, any city, any county or any urban county government may establish a 911 emergency telephone number system upon approval of the governing body of the city, county or urban county government. The method provided by this Act for establishing a 911 emergency telephone number system shall not be deemed to be exclusive.

(2) Any city, any county, or urban county government may by ordinance impose a special tax or license fee to fund a 911 emergency telephone number system provided that the ordinance is submitted to the voters as a public question as provided in this Act. The special tax or license fee as authorized by this section shall be limited to one (1) of the following, but in no instance shall the revenue generated from such special tax or license fee exceed the actual cost of such a system:

(a) The levy of ad valorem taxes upon all taxable property in such public body or public bodies. Such levies of ad valorem taxes upon all taxable property in any such public body shall never exceed in the aggregate the limits prescribed by the Constitution of Kentucky for any such public body;

(b) The levy of occupational license fees upon the

1. Salaries, wages, commissions and other compensation earned by persons for work done and services performed or rendered, and

2. The net profits of businesses, trades, professions or occupations from activities conducted in the public body, or the service area, except public service companies, banks, trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee; or

(c) The levy of a sales tax upon all retailers of the gross receipts of any retailer derived from "retail sales" or "sales at retail" made within the public body or public bodies, provided, however, that such a sales tax shall not be levied on those retail sales which are exempted from the state sales tax by KRS Chapter 139 on June 19, 1976, or hereafter exempted. Any sales tax levied for said purpose shall be in addition to the sales tax authorized by Chapter 139 of the Kentucky Revised Statutes. Said sales tax shall be collected and administered under the provisions of Chapter 139 of the Kentucky Revised Statutes and the rules and regulations of the Kentucky department of revenue. The Kentucky department of revenue shall refund that portion of the sales tax collected as a 911 emergency telephone number system sales tax to the public body of bodies imposing said tax.

(3) Any city, any county or any urban county government, or any combination thereof, may with the approval of their governing bodies enter into an interlocal cooperation agreement creating a joint 911 emergency telephone number system and imposing the special tax or license fee aforesaid, which shall be submitted to the voters as a public question as provided in this Act. Any such special tax or license fee shall be deemed to be approved if approved by a majority of the voters voting on the question within the total geographic area in which the question is submitted.

(4) Any ordinance or interlocal cooperation agreement may confer a power of amendment over its terms upon the governing bodies of the cities, counties or urban county governments adopting it; provided that no such amendment shall permit a special tax or license fee imposed pursuant to this section to exceed the actual cost of such a 911 emergency telephone number system. If any city, any county or any urban county government desires to become a party to an existing interlocal cooperation agreement creating a joint 911 emergency telephone number system, it may do so through an appropriate amendment approved by the governing bodies of the cities, counties or urban county governments which adopted the interlocal cooperation agreement. Only if the joinder of a city, county or urban county government would result in its residents becoming subject to the special tax or license fee authorized by this section would the approval of its voters be needed for imposition of the special tax or license fee.

(5) Any city, which provides law enforcement, fire or emergency medical services to its residents and has the capability to dispatch those services, and which lies within a county which has established by its own ordinance or by interlocal cooperation agreement a countywide 911 emergency telephone number system as provided in this Act, may, by ordinance of its own governing body and by passage of a new county ordinance or appropriate amendment to an existing interlocal cooperation agreement approved by the governing bodies of the parties to those agreements, become a party to the county ordinance or existing interlocal cooperation agreement, or may by ordinance of its own governing body require that the countywide system permit it to handle dispatch of its own law enforcement, fire or emergency medical services in a manner which does not interfere with the orderly dispatch of such services for the remainder of the community.

(6) Any interlocal cooperation agreement so approved shall provide for the allocation of the proceeds of the special tax or license fee authorized by this section.

SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

The procedure for placing the question on the ballot shall be as follows:

(1) The public question authorized by this section may be submitted to the voters only by resolution of the appropriate legislative body or bodies. The resolution shall set out in full the matter to be considered and shall be drafted in such a way that a vote in favor of adoption shall be a vote in favor of the effect or impact of the proposal.

(2) Upon receipt of a resolution requesting that the question be submitted to the voters, the county clerk shall place upon the appropriate ballot for the next primary or regular election that is held not earlier than ninety (90) days after receipt of the resolution the question to be submitted to the voters, which question shall be "Are you in favor of the proposal entitled...? Yes.... No....?" The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as the sample ballot, the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal.

(3) The provisions of general election law shall apply to public questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the mayor or county judge/executive, or both, and the certificate shall be entered upon the records of the city or county, or both, at the next regular meeting of the city or county legislative body, or both.

HB 667, AN ACT relating to urban-county government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67A.070 is amended to read as follows:

(1) Urban-county governments may enact and enforce within their territorial limits such tax, licensing, police, sanitary and other ordinances not in conflict with the constitution and general statutes of this state now or hereafter enacted, as they shall deem requisite for the health, education, safety, welfare and convenience of the inhabitants of the county and for the effective administration of the urban-county government.

(2) Urban-county government ordinances shall be deemed to conflict with general statutes of this state only:

(a) When the ordinance authorizes that which is expressly prohibited by a general statute; or

(b) When there is a comprehensive scheme of legislation on the same subject embodied in a general statute.

(3) No ordinance or resolution shall be considered by the urban-county government legislative body until it has been read at two separate meetings; provided, however, that the requirement for a second reading may be suspended by a two-thirds (⅔) vote of the membership of the legislative body. Requirements for reading ordinances or resolutions may be satisfied by public reading of the title and of a certified synopsis of the contents prepared by an attorney licensed to practice law in the Commonwealth of Kentucky.

(4) All ordinances and resolutions shall be effective upon passage. Any ordinance or resolution imposing fines, forfeitures, imprisonment, taxes or fees, other than a bond ordinance or resolution, shall be published in full pursuant to the provisions of KRS Chapter 424. The publication requirements for all other ordinances or resolutions, including bond ordinances or resolutions, shall be satisfied by publication in full or by publication of the title and the certified synopsis.

(5) The provisions of any local, statewide or nationally recognized standard code and codifications of entire bodies of local legislation may be adopted by ordinance which identifies the subject matter by title, source and date and incorporates the adopted provisions by reference without setting them out in full, provided a copy accompanies the adopting ordinance and is made a part of the permanent records of the urban county government.

HB 768, AN ACT relating to buildings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.060 is amended to read as follows:

(1) Each local government in the state of Kentucky shall employ a building official or inspector and other code enforcement personnel as necessary, or shall contract for such services in accordance with subsections (7) and (9) of this section to enforce the uniform state building code within the boundaries of its jurisdiction, and shall neither adopt nor enforce any other ordinance regulating buildings which conflicts with the uniform state building code, except that a building code adopted by a local government prior to March 28,

1978 may continue in effect until such time as the uniform state building code becomes mandatory within that local government jurisdiction.

(2) Local governments shall be responsible for the examination and approval or disapproval of plans and specifications for buildings of no more than three (3) stories in height, exclusive of attic and basement, which do not contain more than 20,000 square feet of floor area, and are [~~not~~] intended for *a place of assembly having a capacity of one hundred (100) or less persons, churches having a capacity of two hundred fifty (250) or less persons, or thirty-two hundred (3,200) square feet of total floor space, a mercantile building having a capacity of one hundred (100) or less persons, an industrial building having a capacity of one hundred (100) or less persons, and an office building having a capacity of one hundred (100) or less persons. Buildings intended* [~~assembly, educational, institutional or high hazard occupancy, business or industrial occupancy in excess of 100 persons, or~~] for use as a frozen food locker plant as defined in KRS 221.010 *shall be excluded from the local government jurisdiction.* Local governments shall be responsible for the issuance and revocation of building permits, licenses, certificates and similar documents which cover activities within their area of responsibility, and the inspection of all buildings pursuant to the provisions of this chapter and the uniform state building code. Each local government issuing a building or demolition permit or an initial certificate of occupancy on a new structure shall send a copy of such permit or certificate to the commissioner for his use in maintaining an accurate housing inventory for Kentucky.

(3) Urban-county governments may determine service districts within their boundaries within which farm dwellings and other farm buildings, not used in the business of retail trade or as a place of regular employment for ten (10) or more people, shall be exempt from the requirements of the uniform state building code. Such determination may be reviewed and altered by the board.

(4) The department shall be responsible for the examination and approval or disapproval of plans and specifications for all buildings which are not the responsibility of local governments. The department may issue and revoke permits, licenses, certificates and similar documents within its area of responsibility, and shall have concurrent jurisdiction with local governments for the inspection of all buildings pursuant to the provisions of this chapter and the uniform state building code. If the commissioner determines that the local jurisdiction is not adequately performing any portion of its program, he may recommend to the board that the department preempt that portion of a local program. The commissioner shall explain his reasons for preemption in writing and provide a copy to the board and the local jurisdiction. The local jurisdiction may appeal the recommended preemption directly to the board, and the board shall review such appeal according to the procedures found in subsections (8) through (12) of KRS 198B.070. No preemption by the department shall take place until the final decision of the board. If the department preempts any portion of a local program, it shall collect the fees applicable to that portion of the program.

(5) Any local government may petition the commissioner requesting that additional plan review functions be allocated to that local government. Such petition shall include evidence of the local government's capability to perform additional plan review functions. The commissioner, after review of the petition and supporting evidence, may grant or deny to the local government any part of a request for additional responsibility. If the commissioner denies any part of a petition, he shall explain his reasons for denial in writing, and provide a copy to the board and the local government. A local government may appeal such denial directly to the board, and the board shall review such appeal according to the procedures found in subsections (8) through (12) of KRS 198B.070. Should the local government be granted additional responsibility by the commissioner or the board, the department shall hold concurrent jurisdiction over such additional responsibility, but the local government shall collect any fees for functions it performs pursuant to such additional responsibility.

(6) The commissioner shall expedite the review of plans and specifications by assigning responsibilities and coordinating review activities among the department's various functional offices so as to prevent unnecessary duplication in the review of plans and specifications.

(7) Upon the effective date of the uniform state building code, no building shall be constructed in this state until a local building official and an official representing the department, if the department has jurisdiction, issue a permit for such construction. The local building official or the representative of the department shall issue a permit if the proposed building satisfies the requirements of the uniform state building code and if the party desiring to construct the building has complied with all other legal requirements concerning the location and construction of said building. The applicant for a building permit, by the act of applying for the permit, is deemed to have consented to inspection, by the local government or the department, of such building during construction and upon the completion of construction for the purpose of determining that such building is constructed in compliance with the uniform state building code. This section shall apply to industrialized building systems but destructive disassembly of industrialized building systems which carry a seal of approval pursuant to a manufactured building law in the state in which they were manufactured, which seal of approval is accepted by the board of housing, buildings and construction, shall not be performed in order to conduct such tests or inspections.

(8) No building on which construction was begun nor any industrialized building system on which site preparation and assembly were begun after the uniform state building code became effective shall be

occupied until the local building official or a representative of the department issues a certificate of occupancy certifying that the building was constructed in conformance with the standards of the uniform state building code, or assembled or installed in conformance with applicable instructions.

(9) A local government may associate with other local governments, and may seek the technical assistance of other agencies or area development districts in order to provide for the local enforcement of the uniform state building code.

(10) Each local government and the department may establish a schedule of fees for the functions performed under the provisions of this chapter. Such fees shall be designed to fully cover the cost of the service performed but shall in no case exceed the cost of the service performed. Fees payable to the department shall be paid into the state treasury and credited to a trust and agency fund to be used by the department in carrying out the provisions of this chapter. No part of this fund shall revert to the general fund of the Commonwealth.

Committee Substitute to **HB 768** is as follows:

HB 768, AN ACT relating to buildings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.060 is amended to read as follows:

(1) Each local government in the state of Kentucky shall employ a building official or inspector and other code enforcement personnel as necessary, or shall contract for such services in accordance with subsections (7) and (9) of this section to enforce the uniform state building code within the boundaries of its jurisdiction, and shall neither adopt nor enforce any other ordinance regulating buildings which conflicts with the uniform state building code, except that a building code adopted by a local government prior to March 28, 1978 may continue in effect until such time as the uniform state building code becomes mandatory within that local government jurisdiction.

(2) Local governments shall be responsible for the examination and approval or disapproval of plans and specifications for *churches having a capacity of two hundred fifty (250) or less persons, and thirty-two hundred (3,200) or less square feet of total floor area, and* buildings of no more than three (3) stories in height, exclusive of attic and basement, which do not contain more than twenty thousand (20,000) square feet of floor area, and are not intended for *educational, institutional or high hazard occupancy; or assembly, business or industrial occupancy in excess of one hundred (100) persons, except churches as stated above or* [~~assembly, educational, institutional or high hazard occupancy, business or industrial occupancy in excess of 100 persons, or~~] for use as a frozen food locker plant as defined in KRS 221.010. Local governments shall be responsible for the issuance and revocation of building permits, licenses, certificates and similar documents which cover activities within their area of responsibility, and the inspection of all buildings pursuant to the provisions of this chapter and the uniform state building code. Each local government issuing a building or demolition permit or an initial certificate of occupancy on a new structure shall send a copy of such permit or certificate to the commissioner for his use in maintaining an accurate housing inventory for Kentucky.

(3) Urban-county governments may determine service districts within their boundaries within which farm dwellings and other farm buildings, not used in the business of retail trade or as a place of regular employment for ten (10) or more people, shall be exempt from the requirements of the uniform state building code. Such determination may be reviewed and altered by the board.

(4) The department shall be responsible for the examination and approval or disapproval of plans and specifications for all buildings which are not the responsibility of local governments. The department may issue and revoke permits, licenses, certificates and similar documents within its area of responsibility, and shall have concurrent jurisdiction with local governments for the inspection of all buildings pursuant to the provisions of this chapter and the uniform state building code. If the commissioner determines that the local jurisdiction is not adequately performing any portion of its program, he may recommend to the board that the department preempt that portion of a local program. The commissioner shall explain his reasons for preemption in writing and provide a copy to the board and the local jurisdiction. The local jurisdiction may appeal the recommended preemption directly to the board, and the board shall review such appeal according to the procedures found in subsections (8) through (12) of KRS 198B.070. No preemption by the department shall take place until the final decision of the board. If the department preempts any portion of a local program, it shall collect the fees applicable to that portion of the program.

(5) Any local government may petition the commissioner requesting that additional plan review functions be allocated to that local government. Such petition shall include evidence of the local government's capability to perform additional plan review functions. The commissioner, after review of the petition and supporting evidence, may grant or deny to the local government any part of a request for additional responsibility. If the commissioner denies any part of a petition, he shall explain his reasons for denial in writing,

and provide a copy to the board and the local government. A local government may appeal such denial directly to the board, and the board shall review such appeal according to the procedures found in subsections (8) through (12) of KRS 198B.070. Should the local government be granted additional responsibility by the commissioner or the board, the department shall hold concurrent jurisdiction over such additional responsibility, but the local government shall collect any fees for functions it performs pursuant to such additional responsibility.

(6) The commissioner shall expedite the review of plans and specifications by assigning responsibilities and coordinating review activities among the department's various functional offices so as to prevent unnecessary duplication in the review of plans and specifications.

(7) Upon the effective date of the uniform state building code, no building shall be constructed in this state until a local building official and an official representing the department, if the department has jurisdiction, issue a permit for such construction. The local building official or the representative of the department shall issue a permit if the proposed building satisfies the requirements of the uniform state building code and if the party desiring to construct the building has complied with all other legal requirements concerning the location and construction of said building. The applicant for a building permit, by the act of applying for the permit, is deemed to have consented to inspection, by the local government or the department, of such building during construction and upon the completion of construction for the purpose of determining that such building is constructed in compliance with the uniform state building code. This section shall apply to industrialized building systems but destructive disassembly of industrialized building systems which carry a seal of approval pursuant to a manufactured building law in the state in which they were manufactured, which seal of approval is accepted by the board of housing, buildings and construction, shall not be performed in order to conduct such tests or inspections.

(8) No building on which construction was begun nor any industrialized building system on which site preparation and assembly were begun after the uniform state building code became effective shall be occupied until the local building official or a representative of the department issues a certificate of occupancy certifying that the building was constructed in conformance with the standards of the uniform state building code, or assembled or installed in conformance with applicable instructions.

(9) A local government may associate with other local governments, and may seek the technical assistance of other agencies or area development districts in order to provide for the local enforcement of the uniform state building code.

(10) Each local government and the department may establish a schedule of fees for the functions performed under the provisions of this chapter. Such fees shall be designed to fully cover the cost of the service performed but shall in no case exceed the cost of the service performed. Fees payable to the department shall be paid into the state treasury and credited to a trust and agency fund to be used by the department in carrying out the provisions of this chapter. No part of this fund shall revert to the general fund of the Commonwealth.

HCR 70, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the laws and procedures for hearing complaints against police officers of units of local government.

WHEREAS, complaints against law enforcement officers and law enforcement agencies have been increasing in past years; and

WHEREAS, such officers have traditionally enjoyed the immunity of the agency employing them but, through actions of the Kentucky courts, cities no longer possess such immunity; and

WHEREAS, more and more persons with complaints against law enforcement officers and agencies are filing such suits in federal court under federal law (where sovereign immunity is not a question); and

WHEREAS, defense of these suits and claims represents a major expense to various units of government; and

WHEREAS, losses in such suits are rising thus threatening state, county, and municipal treasuries; and

WHEREAS, it is alleged that present methods of handling complaints against police, including the "police officer's bill of rights", are heavily weighted in favor of the police and do not represent a fair method of handling citizen complaints against police; and

WHEREAS, many citizens simply file lawsuits rather than making complaints because they feel the complaint process is weighted against them; and

WHEREAS, an honest complaint and discipline process will usually give citizens and the police a sufficient forum for airing their complaints without resorting to lawsuits with the possibility of large judgments and oppressive legal fees for all parties, such a process would represent a viable and useful alternative to the present system and would save all sides time, money and still present a just method of determining the validity of complaints and assessing punishment where needed;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is directed to establish a committee to study and review the laws pertaining to the procedures for hearing complaints against police officers of units of local government. The committee shall work toward preparing a report and proposed legislation for the 1984 General Assembly which will effect a comprehensive revision of laws pertaining to the procedures for hearing complaints against police officers and other matters relating to police officer discipline.

Section 2. The committee shall be composed of ten (10) members appointed by the Legislative Research Commission as follows:

A. Two (2) members of the House of Representatives of the Kentucky General Assembly;
B. Two (2) members of the Senate of the Kentucky General Assembly;
C. One (1) representative of the Kentucky Municipal League;
D. One (1) representative of the Kentucky Association of Counties;
E. One (1) mayor of a city, as recommended by the Kentucky Municipal League;
F. One (1) county judge/executive of a county as recommended by the Kentucky County Judges/Executive Association;
G. Two (2) representatives of the state organization of the Fraternal Order of Police.

Section 3. That the members shall serve without pay, but the non-legislative members shall receive their reasonable and necessary expenses in connection with the performance of their duties.

Section 4. That the findings of the committee along with any recommendation be reported to the appropriate interim joint committee not later than August 1, 1983.

Section 5. Staff services to be utilized by the committee are estimated to cost $10,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

Committee Amendment No. 1 to **HCR 70** is as follows:

Amend printed copy of **HCR 70,** page 2, line 6, insert between the words "*and*" and "*proposed*" the following phrase: "*if necessary,*"; and

on page 2, line 7, delete the phrase beginning with the word "*which*" and ending with the word "*laws*"

Committee Amendment No. 2 to **HCR 70** is as follows:

Amend printed copy of **HCR 70,** page 3, line 1, delete the word "*ten*" and insert in lieu thereof the word "*eleven*"; and

on page 3, line 2, delete the numeral "*(10)*" and insert in lieu thereof the numeral "*(11)*"; and

on page 3, line 17, delete "*Two (2)*" and insert in lieu thereof the following "*Three (3)*"

The Committee on Counties and Special Districts reported **SB 145** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 145, AN ACT relating to fish and wildlife resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 150.190 is amended to read as follows:

(1) The commissioner may, with the approval of the commission, adopt the design of all licenses required by this chapter and make all regulations for their issuance. Licenses shall be issued on a form prescribed by the commissioner, subscribed and sworn to by the applicant and giving the following information: Sufficient general description of the applicant to identify him, his name, place of residence and house number. No person shall make a false statement or provide any false information when securing a license. No person shall alter or falsify a license or permit in any manner.

(2) Except as provided in subsections (3), (4), (5), (6) and (7), all licenses and tags provided for in this chapter shall be issued by the county clerk *or his designated agent.* The clerk shall sign the licenses

and shall require the persons to whom the licenses are issued to sign their names on the license attesting to the validity of the information contained thereon. The clerk shall keep a correct and complete copy of all licenses issued in the book of licenses furnished by the department, and these records shall be open to inspection by the public during regular office hours. No county clerk, deputy clerk, or agent shall knowingly make a false entry upon a license or upon a license record or report required by this chapter.

(3) Ohio River sport fishing licenses and Ohio River commercial fishing licenses and seine, hoop net, net, commercial trotline and snag line tags for holders of Ohio River commercial fishing licenses shall be issued by the department directly, or through such persons, resident and nonresident, as may be designated by the commissioner as agents for that purpose.

(4) Commercial guide's licenses, fur buyer's licenses, both resident and nonresident, and fur processor's licenses shall be issued directly by the department. Any applicant for a commercial guide's license shall be required to present proof to the satisfaction of the commissioner, in accordance with such regulations as the commissioner may prescribe with the approval of the commission, that he is qualified to act as a commercial guide. Any applicant for a fur processor's license shall be required to present proof to the satisfaction of the commissioner, in accordance with such regulations as the commissioner may prescribe with the approval of the commission, that he has sufficient equipment and facilities to engage in the business of processing, manufacture and storage of raw furs.

(5) A live fish and bait dealer's license, both resident and nonresident, shall be issued directly by the department, or through such persons, resident or nonresident, as may be designated by the commissioner as agents for that purpose.

(6) Musseling licenses, both resident and nonresident, shall be issued directly by the department.

(7) Commercial fishing licenses, both resident and nonresident, shall be issued directly by the department, or through such residents as may be designated by the commissioner as agents for that purpose.

The Committee on Energy reported **HB 738** and **SB 285** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 738, AN ACT relating to hazardous waste and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.866 is amended to read as follows:

(1) No person shall engage in the storage, treatment, recycling or disposal of hazardous waste without first obtaining construction and operation permits from the department. The department shall promulgate regulations establishing standards for such permits but in no case shall a permit to construct or operate a hazardous waste disposal facility be issued unless it can be demonstrated that the proposed facility can be integrated into the surroundings in an environmentally compatible manner, including but not limited to insuring that hydrologic, seismologic, geologic and soil considerations have been adequately addressed in the permit application and in an operational plan. In no case shall a permit to construct a hazardous waste landfill or other site or facility for the land disposal of hazardous waste be approved or issued prior to notification of the department by the local unit of government of its actions pursuant to KRS 224.855(5). A person desiring a construction permit shall file an application on forms supplied by the department which shall contain such information as the department deems necessary and provide evidence that the hazardous waste shall be treated, stored or disposed of in the manner prescribed by the department. The department may consider past performance in this or related fields by the applicant. The department, in making a determination to issue, deny or condition a construction permit, shall consider the following:

(a) An evaluation of alternatives, to include other locations and other treatment, storage, and disposal approaches, different from those proposed, available to the applicant;

(b) An evaluation of the public health, safety, and environmental aspects of the proposals;

(c) An evaluation of the social and economic impacts of the proposed action on the affected community, to include, at a minimum, changes in property values, community perception and other psychic costs, and the costs and availability of public services, facilities and improvements required to support the facility and protect public health, safety and the environment;

(d) An evaluation of mitigation measures to alleviate problems identified in *paragraphs* [~~subsections~~] (b) and (c) of this *subsection* [~~section~~]; and

(e) The relationship of the proposal to local planning and existing development.

Except that in the case of hazardous waste landfills or other sites or facilities for the land disposal of hazardous waste the provisions of paragraphs (c) and (e) of this subsection shall be determined by the local unit of government pursuant to KRS 224.855(5).

(2) Any hazardous waste which would migrate, leach, or generate gas in its normal state shall not be disposed of in a landfill unless such waste has been either neutralized, detoxified, solidified, encapsulated or otherwise treated so that the character of the waste is such that it will prevent substantial migration, leaching or gas generation or unless the landfill is designed and constructed in such manner as will prevent substantial migration, leaching or gas generation, that in either case may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness or pose a substantial present or potential hazard to human health or the environment.

(3) In conjunction with the application for permits under this section the applicant shall *demonstrate compliance with standards in accordance with regulations promulgated by the department. The regulations shall include requirements respecting the maintenance of operation of such facilities and requiring such additional qualifications as to ownership, continuity of operation, training for personnel and financial responsibility as may be necessary or desirable consistent with the degree and duration of risks associated with the treatment, storage or disposal of specific hazardous waste. Such financial responsibility regulations shall include but need not be limited to provisions for closure costs, post-closure costs, post-closure monitoring and maintenance, and liability for personal and property damage consistent with Public Law 94-580 as amended and the regulations promulgated pursuant thereto.* [~~establish adequate financial responsibility as follows:~~

~~(a) The applicant shall file as part of his application for a permit to construct the facility an estimate of the cost of closing the facility after its capacity is reached or operations have otherwise ceased. In the case of storage facilities, the cost of closing shall include the cost of properly disposing of the hazardous waste stored. The department shall evaluate this cost estimate and either accept the estimate as made or shall revise it in accordance with acceptable guidelines, using, where available, actual data on closure costs associated with similar existing facilities. Before a permit to operate can be issued the applicant for any hazardous waste permit shall deposit into an interest bearing account pursuant to an escrow agreement with the department a closure fund. Such closure fund shall be cash, irrevocable credit or other sureties satisfactory to the department in an amount equal to the cost estimate for closure. A bank or other financial institution approved by the department shall act as the escrow agent of the closure fund. The escrow agreement shall provide that disbursement is permissible only upon written approval of the department and whenever, on the basis of any information, the department determines that the owner or operator is in violation of any of the closure requirements for the facility, that the department shall have the right to use part or all of the closure fund to carry out the closure requirements. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more closure violations. When the applicant has ceased operations at the facility and has completed closure of the site, he may apply to the department for return of the principle and interest in the closure fund. Upon determination that closure has been satisfactorily accomplished, the department shall release to the applicant all remaining funds accumulated in the closure fund.~~

~~(b) Any applicant for a hazardous waste disposal permit shall file with the department as part of his application an estimate of the annual cost of post-closure monitoring and routine maintenance at the site. The department shall evaluate the cost estimate, and, after such modification as may be necessary in light of its evaluation, shall give notice of acceptance of the cost estimate. This cost estimate which will be referred to as the annual post-closure operating cost will then be used to determine the annual cash payments during the life of the facility or over twenty (20) years whichever is shorter into a post-closure monitoring and maintenance fund to be used for monitoring and maintenance for a period of a minimum of twenty (20) years after facility closure. The post-closure monitoring and maintenance fund shall be established by an escrow agreement with the department and annual payments shall be placed in an interest bearing escrow account in a bank or other financial institution approved by the department which shall act as the escrow agent for the fund. The escrow agreement shall provide that whenever, on the basis of any information, the department determines that the owner or operator of the facility is in violation of any of the post-closure monitoring and maintenance requirements, the department shall have the right to use part or all of the funds to carry out the post-closure monitoring and maintenance for the facility. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more post-closure monitoring and maintenance violations. One (1) year after closure and annually, thereafter, for a period of twenty (20) years, the applicant who has carried out all necessary post-closure maintenance and monitoring requirements may upon application to the department be reimbursed out of the post-closure monitoring and maintenance fund an amount equal to the estimated costs for monitoring and routine maintenance for that year and the interest accumulated on that portion of the fund for that year. Request for release of funds for reimbursement must be accompanied by an itemized list of costs incurred. Upon determination that the expenditures incurred are in accordance with the approved plan or otherwise justified the department may authorize the release of the funds to the applicant in writing. Any funds remaining in the escrow account following a termination hearing in which the applicant is released of further responsibility will likewise be released to the applicant.~~

~~(c) Before a permit can be issued the applicant for any hazardous waste permit must provide evidence of financial responsibility in an amount and for a time period specified by the department for the purpose of satisfying claims arising out of injury to persons or property resulting from the release or escape of hazardous waste into the environment. Such financial responsibility may be established by one or a combination of evidence of liability insurance, self-insurance, or other evidence of financial responsibility acceptable to the department. The level of self-insurance shall not exceed ten percent (10%) of equity, and financial responsibility must be maintained during the entire operation of the facility and until termination.~~]

(4) The department shall promulgate regulations establishing minimal standards for closure, post-closure monitoring and maintenance, and termination of sites for the disposal of hazardous waste. Any person who obtains a disposal permit for hazardous waste shall be responsible for the post-closure monitoring and maintenance of the permitted facility for a minimum of twenty (20) years after closure of the facility, and may apply to the department for termination of the responsibility for post-closure monitoring and maintenance at any time after the site has been closed for at least twenty (20) years. Upon receipt of such application the department shall provide notice to the public and to the owner or operator and an opportunity for a hearing on the termination of the site. In this proceeding the burden shall be on the applicant to prove by clear and convincing evidence that additional post-closure monitoring and maintenance is not necessary for adequate protection of public health or the environment. The department shall determine either that post-closure monitoring and maintenance of the site is no longer required in which case the applicant shall be relieved of such responsibility; or that additional post-closure monitoring and maintenance of the site as specified in a plan of operation is still required, in which case the department may order appropriate remedial measures, impose restrictive covenants as to future use of the property involved, or otherwise condition termination as may be necessary for adequate protection of public health and the environment.

Section 2. Whereas, flexibility in designing the financial responsibility provisions of Kentucky's hazardous waste program will better enable the department to comply with the requirements that may be necessary to assume authorization for the program under the federal Resource Conservation and Recovery Act, this Act shall become effective upon its passage and approval of the Governor.

SB 285, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.150 is amended to read as follows:

(1) Each commission shall, on or before June 1, certify to the department of revenue and the department of finance the amount of intrastate business of each utility in the state subject to its jurisdiction during the previous calendar year. *The commission shall, when certifying the intrastate sales of retail electric suppliers, deduct from such sales one-half (½) of the applicable wholesale power costs, provided the utility from which such wholesale power purchases were made pays assessment on the full wholesale value of its gross intrastate sales in Kentucky. When certifying the intrastate sales of retail electric suppliers not subject to the jurisdiction of the commission for rates, the commission shall deduct one-half (½) of their actual intrastate sales. All utilities classified as retail electric suppliers shall pay assessments based on the amount of intrastate sales less deductions as certified by the commission.*

(2) The department of finance shall, on or before June 10, establish the assessment rate and give written notification thereof to the department of revenue and the utility and energy regulatory commissions. The department of revenue shall collect and pay the assessment into the state treasury to the credit of the general expenditure fund. All such assessments shall be paid into the state treasury through the department of revenue on or before July 31 of the year in which the assessments are made.

(3)[~~(2)~~] If any amount in the special fund for the maintenance of the commissions remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account of the commission and may be used during any succeeding year.

Section 2. KRS 278.130 is amended to read as follows:

(1) For the purpose of maintaining the commissions, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to their jurisdiction, the department of revenue shall each year assess the utilities in proportion to their earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year *as modified by KRS 278.150*, and shall notify each utility on or before July 1 of the amount assessed against it. The total amount so assessed shall not in any year exceed one and one-half mills on intrastate receipts *as so modified*, which shall be deposited into the state treasury to the credit of the general fund. The sum by each utility shall not be less than $50 in any one year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities.

Calendar

HB 674, HB 779, HCR 73, SB 216, SB 219, SB 241, HB 549, HB 649, HB 653, HB 659, HB 816, HR 52, HR 69, HB 531, HB 814, and **HB 460** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

SB 190, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clapp moved the adoption of the Committee Substitute to **SB 190**. Agreed.

Representative McBee moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **SB 190.** Agreed.

Representative McBee moved that **SB 190,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, Kenton, Kidd, Layman, Lefevers, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Moore, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 1-Barrows.

SB 190, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative McBee moved that the vote by which **SB 190,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 465, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Amendment No. 1 to **HB 465.** Agreed.

Representative Priddy moved that **HB 465,** as amended, be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Yates. Nays 3-Burch, R. Jones, Williams.

HB 465, as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 465,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 513, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 513.** Agreed.

Representative Clarke moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 513.** Agreed.

Representative Clarke moved that **HB 513,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 33-Arnold, Bennett, Bruce, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Donnermeyer, Dunn, Foster, Hancock, Handy, Hines, Johnson, R. Jones, T. Jones, LeMaster, Long, Meyer, Moberly, Morris, Nett, Pearman, Priddy, Rapier, B. Richardson, Schmidt, Thomason, Williams, Worthington. Nays 61-Allen, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Clapp, Cline, Crupper, Cyrus, Deskins, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Harper, Head, Heleringer, Holbrook, Holloway, Kidd, Layman, Lefevers, Lile, List, Little, Lundergan, Maggard, Mann, McBee, McNutt, Moore, Noland, O'Brien, Overstreet, Patrick, Perkins, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Tobin, Todd, Turner, Van Horn, White, Yates.

HB 513, by way of Committee Substitute as amended, was defeated.

A Discharge Petition was filed on **HR 2.**

Report on Enrolled Bills

The Committee on Enrollment reported **HB 324, HB 32, HB 95, HB 252, HB 306, HB 323, HB 377, HB 422, HB 442, HB 445,** and **HB 505** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:52 p.m.)

HB 324, HB 32, HB 95, HB 252, HB 306, HB 323, HB 377, HB 422, HB 442, HB 445, and **HB 505** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

SB 180, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **SB 180** be passed.

Representative Van Horn moved the adoption of the Floor Amendment No. 1 to **SB 180.**

On the roll call the vote was yeas 61-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Fryman, Gray, Guenthner, Haering, Head, Heleringer, Holbrook, Holloway, Layman, Lefevers, Little, Long, Maggard, Moore, Morris, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, P. Richardson, Robinson, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 26-Bendl, Burch, Caldwell, Clark, Cowan, Craddock, Foster, Freibert, Handy, Harper, Hines, T. Jones, Kenton, Kidd, LeMaster, Lile, List, McNutt, Meyer, Moberly, Nett, O'Brien, Richards, B. Richardson, B. Smith, Tobin.

Floor Amendment No. 1 to **SB 180** was adopted.

Representative O'Brien moved that **SB 180,** as amended, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Bennett, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, Little, Long, Maggard, McBee, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 18-Blevins, Caldwell, Clarke, Freibert, Harper, T. Jones, Kenton, LeMaster, Lile, List, McNutt, Meyer, Moberly, Rattliff, B. Richardson, B. Smith, Thomas, Tobin.

SB 180, as amended was passed.

Representative O'Brien moved that the vote by which **SB 180,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Van Horn moved that the motion by which the vote that the vote by which **SB 180,** as amended, was passed be reconsidered and said motion be placed on the table was adopted be reconsidered. Agreed.

Representative Van Horn moved the adoption of the Floor Title Amendment to **SB 180,** as amended. Agreed.

Representative Van Horn moved that the vote by which **SB 180,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 33, SB 44, SB 52, SB 72, SB 159, SB 202, SB 237,** and **SB 278** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:08 p.m.)

Orders of the Day (continued)

HB 503, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Substitute to **HB 503.** Agreed.

Representative Clarke moved the adoption of the Floor Amendment No. 5 to the Committee Substitute to **HB 503.**

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Gray, Hancock, Harper, Heleringer, Holloway, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Worthington, Yates. Nays 9-Bruce, Burnette, Caldwell, Fryman, Guenthner, Holbrook, Kidd, Layman, Moore.

Floor Amendment No. 5 to the Committee Substitute to **HB 503** was adopted.

Representative LeMaster moved that **HB 503,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Fryman, Gray, Haering, Kidd.

HB 503, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 503,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 658, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Floor Amendment No. 2 to **HB 658.** Agreed.

Representative LeMaster moved that **HB 658,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, Worthington, Yates. Nays 7-Burnette, Freibert, Haering, Hancock, List, McNutt, Patrick.

HB 658, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 658,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 141, with Committee Substutites and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Second Committee Substitute to **HB 141.** Agreed.

Representative Bendl moved that **HB 141,** by way of Second Committee Substitute, be passed.

Representative Riner moved that **HB 141,** by way of Second Committee Substitute, be laid on the Clerk's desk.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 20-Blandford, Boswell, Burnette, Clapp, Clark, Crupper, Ellington, Ford, Fryman, Head, Johnson, Layman, Moore, Noland, Overstreet, Pearman, Rattliff, Riner, Robinson, B. Smith. Nays 66-Allen, Arnold, Barrows, Bendl, Bennett, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clarke, Cowan, Curd, Cyrus, Deskins, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, Meyer, Moberly, Morris, Nett, Noe, Patrick, Perkins, Petty, Priddy, Rapier, Richards, Schmidt, Seum, F. Smith, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates.

The motion that **HB 141,** by way of Second Committee Substitute, be laid on the Clerk's desk was rejected.

Representative Bendl moved that **HB 141,** by way of Second Committee Substitute, be passed.

On the roll call the vote was yeas 59-Arnold, Barrows, Bendl, Bennett, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clarke, Cowan, Deskins, Donnermeyer, Endicott, Farrow, Freibert, Gray, Guenthner, Hancock, Handy, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Noe, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams. Nays 34-Allen, Blandford, Boswell, Burnette, Clapp, Cline, Craddock, Crupper, Cyrus, Dawahare, Ellington, Ford, Foster, Fryman, Haering, Harper, Head, Heleringer, Johnson, Layman, Lefevers, McNutt, Noland, O'Brien, Patrick, Pearman, Rattliff, Riner, Robinson, Seum, Todd, Turner, Worthington, Yates.

HB 141, by way of Second Committee Substitute, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 141,** by way of Second Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Richardson presiding.

HB 572, with Floor Amendment attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Floor Amendment No. 1 to **HB 572.** Agreed.

Representative Pearman moved that **HB 572,** as amended, be passed.

On the roll call the vote was yeas 52-Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Bruce, Clark, Cline, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Farrow, Ford, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Kidd, Lefevers, Lile, Little, Long, McBee, McNutt, Meyer, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, P. Richardson, Robinson, F. Smith, Stone, Stumbo, Todd, Turner, Van Horn, Williams, Yates. Nays 22-Allen, Boswell, Caldwell, Clarke, Craddock, Dunn, Foster, Freibert, Holbrook, Kenton, Layman, leMaster, List, Mann, Moore, Patrick, Richards, B. Richardson, Schmidt, B. Smith, Thomason, Tobin.

HB 572, as amended, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 572,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **HB 1** be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 3-Guenthner, Morris, Patrick.

HB 1 was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 1** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 176 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 176** be passed.

On the roll call the vote was yeas 24-Bennett, Blandford, Boswell, Bruce, Burnette, Clark, Donnermeyer, Dunn, Freibert, Gray, Hancock, Heleringer, LeMaster, Little, Lundergan, McBee, Morris, Pearman, Petty, Priddy, Riner, Van Horn, Williams, Yates. Nays 34-Allen, Barrows, Blevins, Caldwell, Clarke, Curd, Cyrus, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Haering, Handy, Head, T. Jones, Lefevers, Lile, List, Long, Moberly, Moore, Noland, O'Brien, Rapier, Rattliff, Richards, P. Richardson, Schmidt, Thomason, Tobin, Todd, Turner.

HB 176 was defeated.

HB 537, with Committee Amendment attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **HB 537** be passed.

Representative Richards moved the adoption of the Committee Amendment No. 1 to **HB 537**. Agreed.

Representative Richards moved that **HB 537**, as amended, be passed.

On the roll call the vote was yeas 94-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

HB 537, as amended, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 537**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 711 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 711** be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 2-Haering, Pearman.

HB 711 was passed and the title agreed.

Representative LeMaster moved that the vote by which **HB 711** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 714 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative F. Smith moved that **HB 714** be passed.

On the roll call the vote was yeas 58-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Foster, Gray, Hancock, Handy, Heleringer, Holbrook, T. Jones, Kidd, lefevers, LeMaster, List, Long, Lundergan, Mann, McBee, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, Williams, Yates. Nays 14-Allen, Burnette, Ellington, Farrow, Ford, Freibert, Guenthner, Harper, Lile, Moore, Overstreet, Patrick, Riner, Todd.

HB 714 was passed and the title agreed to.

Representative F. Smith moved that the vote by which **HB 714** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 733, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Schmidt moved the adoption of the Committee Amendment No. 1 to **HB 733.** Agreed.

Representative Holbrook moved that **HB 733,** as amended, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Lefevers, LeMaster, Lile, Long, Maggard, Mann, McBee, McNutt, Meyer, Moore, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Yates. Nays 1-Haering.

HB 733, as amended, was passed and the title agreed to.

Representative Holbrook moved that the vote by which **HB 733,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 758 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved that **HB 758** be passed.

On the roll call the vote was yeas 91-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Haering.

HB 758 was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 758** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 110, with Committee Substitute and Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed on its passage. Agreed by a majority of members elected.

Representative Craddock moved the adoption of the Committee Substitute to **HB 110.** Agreed.

Representative Craddock move that **HB 110,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 6-Clarke, Deskins, Haering, Heleringer, Mann, Perkins.

HB 110, by way of Committee Substitute, was passed.

Representative Craddock moved the adoption of the Committee Title Amendment to **HB 110.** Agreed.

Representative Craddock moved that the vote by which **HB 110,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 542 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved that **HB 542** be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Haering, Hancock, Patrick.

HB 542 was passed and the title agreed to.

Representative Bennett moved that the vote by which **HB 542** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 788 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 788** be passed.

On the roll call the vote was yeas 77-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, leMaster, Lile, List, Little, Long, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Van Horn, White, Worthington. Nays 0.

HB 788 was passed and the title agreed to.

Representative Van Horn moved that the vote by which **HB 788** was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 93, SB 129, SB 364,** and **HB 385.**

Orders of the Day (continued)

HB 813, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 813.** Agreed.

Representative LeMaster moved that **HB 813,** as amended, be passed.

On the roll call the vote was yeas 52-Barrows, Bendl, Bennett, Blandford, Bronger, Burch, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Hancock, Hines, T. Jones, Kenton, Kidd, LeMaster, List, Long, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Yates. Nays 39-Allen, Arnold, Boswell, Brinkley, Bruce, Burnette, Caldwell, Clapp, Ellington, Endicott, Ford, Freibert, Fryman, Gray, Guenther, Haering, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, R. Jones, Layman, Lefevers, Lile, Maggard, McNutt, Moore, Noland, O'Brien, Overstreet, Patrick, Rattliff, Robinson, Schmidt, Todd, Turner, Van Horn, White, Worthington.

HB 813, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 813,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 44 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **HR 44** be adopted.

HR 44 was adopted by voice vote.

Representative Brinkley moved that the rules be suspended to allow a call of the roll to show co-sponsors of **HR 44.** Agreed.

The following members requested that their names be added as co-sponsors of **HR 44:** Allen, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Clapp, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, Meyer, Moberly, Morris, Noe, Noland, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates.

HCR 61, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved the adoption of the Committee Amendment No. 1 to **HCR 61.** Agreed.

Representative Harper moved the adoption of **HCR 61,** as amended.

On the roll call the vote was yeas 93-Allen, Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Perkins.

HCR 61, as amended, was adopted and the title agreed to.

Representative Harper moved that the vote by which **HCR 61,** as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 809, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Floor Amendment No. 1 to **HB 809.** Agreed.

Representative Clarke moved that **HB 809,** as amended, be passed.

Speaker Pro Tempore Thomason presiding.

Representative Clarke moved that **HB 809,** as amended, be laid on the Clerk's desk. Agreed.

HJR 62 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved the adoption of **HJR 62.**

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burnette, Caldwell, Clapp, Clarke, Cowan, Craddock, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 5-Allen, Brown, Fryman, Guenthner, Pearman.

HJR 62 was adopted and the title agreed to.

Representative List moved that the vote by which **HJR 62** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 63 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of **HCR 63.**

On the roll call the vote was yeas 81-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Williams, Worthington, Yates. Nays 4-Bruce, Fryman, Morris, Pearman.

HCR 63 was adopted and the title agreed to.

Representative Arnold moved that the vote by which **HCR 63** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 20 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved that **SB 20** be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 2-McNutt, Tobin.

SB 20 was passed and the title agreed to.

Representative Little moved that the vote by which **SB 20** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 213 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved that **SB 213** be passed.

On the roll call the vote was yeas 72-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, Robinson, B. Smith, F. Smith, Stone, Stumbo, Van Horn, Williams, Worthington, Yates. Nays 9-Allen, Burnette, Crupper, Endicott, Haering, List, Rapier, Thomas, Turner.

SB 213 was passed and the title agreed to.

Representative Williams moved that the vote by which **SB 213** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 169, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 169** be passed.

On the roll call the vote was yeas 62-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Guenthner, Hancock, Handy, Head, Hines, T. Jones, Kidd, LeMaster, List, Little, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 23-Allen, Caldwell, Crupper, Ellington, Endicott, Ford, Fryman, Gray, Haering, Harper, Holbrook, Layman, Lile, Moore, Noland, Patrick, Pearman, Robinson, Schmidt, B. Smith, Todd, Turner, Van Horn.

SB 169 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 169** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions.

Floor Amendment No. 1 to **HR 75,** by Representative Schmidt:

Amend printed copy of **HJR 75,** pages 1, 2, and 3, by deleting all material appearing on pages 1, 2, and 3 and substituting therefor the following:

A CONCURRENT RESOLUTION requesting and petitioning the Congress of the United States for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the legislatures of two-thirds of the several states, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all federal appropriations may not exceed the total of all estimated federal revenues in any fiscal year.

WHEREAS, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceed hundreds of billions of dollars; and

WHEREAS, inflation is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

WHEREAS, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that this body requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring, in the absence of a national emergency, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 2. That, alternatively, this body makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 3. That this body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution.

Section 4. That this application by this body constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V; but if the United States Congress proposes an amendment to the United States Constitution identical in subject matter to that contained in this concurrent resolution, then this petition for a constitutional convention shall no longer be of any force or effect.

Section 5. That this application and request be deemed null and void, rescinded and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

Section 6. That copies of this Resolution be sent by the Secretary of State to the members of Congress from Kentucky.

Section 7. That the Secretary of State of this state is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislature of each of the other states in the Union, the Clerk of the United States House of Representatives, Washington, D.C. and the Secretary of the United States Senate, Washington, D.C.

Floor Amendment No. 4 to Committee Substitute to **HB 141,** by Representative Riner:

Amend printed copy of Committee Substitute to **HB 141,** on page 7, below line 3, add the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

The department for human resources shall designate one or more law enforcement agencies and one or more employes of the department or agencies with which the department maintains contracts as having admitting authority to the spouse abuse program.

SECTION 4. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

Upon verification of physical abuse by a police department or the department for human resources, any person who has been the victim of physical abuse or whose children have been the victims of abuse may:

(1) Utilize the services of a spouse abuse center; or

(2) Utilize the services or another shelter operated by or for the department for human resources; or

(3) Utilize a hotel or motel under contract with the department for human resources; or

(4) Stay with relatives (and receive a per diem for such if they are deemed indigent by a court); or

(5) Stay in foster home (and receive a per diem for such if they are deemed indigent by a court).

Any person who has been the victim of abuse or whose children have been the victims of abuse may:

(1) Seek counseling from a spouse abuse center; or

(2) Seek counseling from a comprehensive care center; or

(3) Seek counseling from any other program operated by or for the department for human resources; or

(4) Seek counseling from a clergyman of their choice.

SECTION 5. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

The department for human resources shall contract with hotels, motels, and restaurants for their services at set rates for the shelter and feeding of persons who have been the victims of abuse or whose children have been the victims of abuse. The department shall contract with a sufficient number of facilities so that no person will have to travel more than one (1) county to reach such a facility. The facility shall, upon proper order from the department or its authorized representative, admit to it any person named in a departmental order for the period specified.

SECTION 6. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) All spouse abuse centers shall admit all abused persons seeking entry without regard to sex, race, creed, color, national origin, or financial status. Admission requirements shall apply to abused persons and their children.

(2) All spouse abuse centers shall have facilities for adult males and females and male and female children. Living quarters and sanitary facilities shall be separate for each sex of adults and shall make suitable arrangements for children.

SECTION 7. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) Any person who is admitted to the program may be admitted initially for a period of one (1) week, at the end of the week (if conditions) warrant a review may be held to see if the person should be admitted for an additional week. If it is determined that the person is still in need of shelter then the person

may be granted an additional week of shelter. At the end of the second week an additional similar review may be conducted and an additional week of shelter granted. No person may be sheltered in a program paid for wholly or in part with public money for more than three (3) weeks at any given time.

(2) No person may be granted the protection of the spouse abuse protection program from public funds either wholly or in part, more than twice in a year.

SECTION 8. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) No spouse abuse center shall have in its employ, or on its staff, either in a paid or volunteer status, any person who has been convicted of a felony or of violation of KRS Chapters 199, 208, 508, 509, 510, 528, 529, 530, or 531.

(2) All spouse abuse centers shall comply with the applicable regulations of the State Fire Marshal with regard to places of public accommodation and other applicable regulations.

(3) All spouse abuse centers shall comply with the applicable regulations of the department for human resources for hotels and motels, and for food service establishments and all other applicable regulations in the areas of safety, health, and food service operations.

SECTION 9. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

(1) Following the stay of any person over the age of ten (10) years at spouse abuse center, the office of the ombudsman of the department for human resources shall send to that person a questionnaire designed to ascertain:

(a) Whether the center provided adequate care and treatment;

(b) Whether the center was maintained in a clean and samitary condition;

(c) Whether the food served at the center was sufficient in quantity and quality and was served in a sanitary manner;

(d) Whether the counseling and other services provided by the center were useful to the client; and

(e) Such other information regarding the center and the operations thereof as to permit the department to properly evaluate whether the center is fulfilling its mission to the level of service demanded by the department.

(2) Copies of review, forms, without the name or address of the person receiving the service, shall be deemed public records and may be inspected at the department's offices in Frankfort.

SECTION 10. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

All contracts between the department and spouse abuse centers shall be for a period not longer than one (1) year.

SECTION 11. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

No facility admitting a person under the spouse abuse program shall censor or monitor the mail, telephone calls, or conversations of a person in the shelter.

SECTION 12. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

If any person is abused by other than a spouse then he must file a criminal complaint against that person before he can receive the benefits of public money under the spouse abuse program.

SECTION 13. A NEW SECTION OF KRS CHAPTER 532 IS CREATED TO READ AS FOLLOWS:

In addition to or in lieu of any other penalty, upon conviction of a person for abuse of a spouse or child or for assault or any other related crime upon such person the judge shall order the defendant to pay fifty dollars ($50.00) per day for each day that an abused person spent in a spouse abuse shelter or other similar facility permitted in this Act. Funds shall be paid to the circuit clerk and transmitted to the general fund.

(1) The amounts may be ordered reimbursed either in lump sum or in installments.

(2) Failure, without good cause shown, to make either a lump sum payment or installment ordered pursuant to this section shall be deemed contempt of court.

(3) The provisions of this section shall not be suspended or probated by the court."

Floor Amendment No. 1 to **HB 295**, by Representative Dawahare:

Amend printed copy of **HB 295**, page 122, line 19, add the following:

"14. To the extent herein provided that General Fund expenditures at the close of Fiscal Year 1981-82 are less than General Fund appropriations for the same fiscal year, there is hereby appropriated from the General Fund in Fiscal Year 1982-83 the sum, up to the maximum amount of $5,000,000, to the Kentucky School Building Authority from such General Fund balance."

Floor Amendment No. 1 to **HB 507**, by Representative Barrows:

Amend printed copy of **HB 507**, page 5, line 22, after (2) by deleting *(a)*; and

on page 6, line 3 through 6 by deleting same.

Floor Amendment No. 2 to Committee Substitute to **HB 513**, by Representative Clarke:

Amend printed copy of Committee Substitute to **HB 513**, page 12, lines 21-24, restore the following language:

"(3) There shall be no presumption of contemplation of death as to certificates of deposit jointly owned and all such certificates of deposit shall be taxed pursuant to KRS 140.050."

Floor Amendment No. 1 to Committee Substitute to **HB 538**, by Representative Kenton:

Amend printed copy of Committee Substitute to **HB 538**, page 16, after line 13, by inserting the following:

"Section 12. Sections 1-11 of this Act shall be effective July 15, 1984."

Floor Amendment No. 3 to **HB 582**, by Representative Harper:

Amend printed copy of **HB 582**, page 2, line 2, following "*KRS Chapter 75,*" by inserting the following: "*an air board created and established pursuant to KRS Chapter 183 which operates an airport licensed or approved to accommodate scheduled air common carriers and whose airport contains or adjoins air traffic control facilities controlled and operated by the United States,*".

Floor Amendment No. 2 to Committee Substitute to **HB 571**, by Representative Rapier:

Amend printed copy of Committee Substitute for **HB 571**, page 12, line 7, by inserting the following before the word "*Receipts*": *(1) Ninety percent (90%) of the*

and after line 9 by inserting the following:

(2) The remaining ten percent (10%) of the receipts derived from taxes assessed and collected under the provisions of this chapter shall be returned to counties or counties containing cities which permit the sale of alcoholic beverages. The money shall be prorated on the basis of population.

Floor Amendment No. 1 to **HB 659,** by Representative Schmidt:

Amend printed copy of **HB 659,** page 2, line 10, by placing brackets around the words "not" and "or decrease";

and on line 11, by inserting the word "*and*" after the word "taxpayer" and by placing brackets around the words "nor" and "it".

Floor Amendment No. 1 to **HB 636,** by Representative Meyer:

Amend printed copy of **HB 636,** page 1, line 8, after the word "occupation," by adding the following: "*An electrician or electrical contractor with at least five (5) years of experience in his respective occupation shall be licensed without examination if application for licensure is made within six (6) month of the date the examination requirement is adopted by the city or county.*"; and

on page 1, line 10, after the word "board." by adding the following: "*A person desiring an electrical contractor's license who does not engage in the actual construction, alteration or repair of electrical wiring shall be exempt from examination.*"

Floor Amendment No. 1 to **HB 681,** by Representative LeMaster:

Amend printed copy of **HB 681,** page 2, line 15, by deleting "*shall not*" and inserting in lieu thereof: "*may*"

and on page 2, line 16, by deleting the word "*unless*" and inserting in lieu thereof: "*if*";

and on page 2, by deleting lines 17 through 26 in their entirety and by inserting in lieu thereof: "*determines that the financial condition of state government requires such a reduction.*"

and by deleting pages 3 and 4 in their entirety

Floor Title Amendment to **HB 697,** by Representative Bronger:

Amend printed copy of **HB 697,** page 1, title amendment, by deleting the title in its entirety and by inserting in lieu thereof the following: "AN ACT relating to cities."

Floor Amendment No. 1 to **HB 697,** by Representative Bronger:

Amend printed copy of **HB 697,** page 2, following line 14, by adding the following:

"SECTION 2. A NEW SECTION OF KRS 95.710 TO 95.761 IS CREATED TO READ AS FOLLOWS:

The provisions of KRS 95.450 to 95.460 providing for the discipline of members of a police or fire department shall be applicable to any city of the fourth or fifth class, except in those cities of the fourth or fifth class which adopt a civil service providing for the discipline of members of a police or fire department pursuant to KRS 95.765 to 95.766."

Floor Amendment No. 2 to **HB 706,** by Representative Worthington:

Amend printed copy of **HB 706,** on page 2, line 14, by inserting after the period "." the following: "*The rate initially levied under this subsection shall not be changed for the life of the project.*"

Floor Amendment No. 1 to **HB 785,** by Representative Thomason:

Amend printed copy of **HB 785,** page 83, by adding the following between lines 13 and 14:

Section 55. KRS 12.010 is amended to read as follows:

[~~(1)~~] In this chapter, unless the context requires otherwise:

(1) "Organizational unit" means any unit of organizational in the executive branch of the state government that is not an administrative body, including but not limited to any agency, program cabinet, department, bureau, division, section or office.

(2)[~~(a)~~] "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by *statutorily authorized* [~~appropriate~~] executive action as a "department";

(3)[~~(b)~~] "Division" means a major branch of a department established by statute or by *statutorily authorized* administrative action;

(4)[~~(c)~~] "Administrative body" *means any multi-member body in the executive branch of the state government, including but not limited to any board, council, commission, committee, authority or corporation;* [~~includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form of organization in the executive branch of government, but does not include "department," "program cabinet" or "division."~~]

(5)[~~(2)~~] "Program cabinet" means a group of departments, or departments and [~~commissions, or other~~] administrative bodies, designated by statute or *statutorily authorized* [~~appropriate~~] executive action as a "program cabinet."

SECTION 56. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) Recognizing the necessity for grouping related functions of organizational units and administrative bodies in order to promote greater economy, efficiency and improved administration, the governor may propose to the general assembly, for its approval, changes in the state government organizational structure which may include the creation, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities and records from one (1) organizational unit or administrative body to another.

(2) Recognizing that changes in the state government organizational structure may need to be made as rapidly as possible to achieve greater economy, efficiency and improved administration as the needs of government dictate, the governor may, between sessions of the general assembly, temporarily effect a change in the state government organizational structure as described in subsection (1) of this section if such temporary reorganization plan is first approved by the legislative research commission after review by the interim joint legislative committee with appropriate jurisdiction. Unless required by federal law, the governor may not effect a temporary reorganization plan under this subsection that would contravene:

(a) A constitutional or statutory provision relating to any constitutional officer or to an organizational unit headed by a constitutional officer; or

(b) A constitutional or statutory provision relating to an administrative body or to an organizational unit headed by an administrative body; or

(c) A constitutional provision relating to an organizational unit.

(3) Any reorganization proposed under subsection (1) or (2) of this section shall be set forth in a reorganization plan which shall be filed with the legislative research commission. The plan shall include:

(a) An explanation of each proposed change, including the need for the change;

(b) An estimate of any reduction or increase in expenditures, itemized as far as practicable, which the governor expects will result from the reorganization;

(c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations which the governor expects will be realized as a result of the reorganization; and

(d) Specification of the effects of the reorganization on the budget and personnel of each affected organizational unit or administrative body, including but not limited to the amount of funds and the number

of employes that will be transferred from one (1) organizational unit or administrative body to another, any reductions in the state work force resulting from the reorganization, and the methods to be utilized to achieve such reductions.

(4) When a proposed reorganization plan is submitted for approval under subsection (2) of this section the presiding co-chairman of the legislative research commission shall determine which interim joint legislative committee has appropriate jurisdiction and shall refer the plan to such committee within ten (10) days after the director of the legislative research commission receives the proposal. Prior to the legislative research commission's approving a temporary reorganization plan, the interim joint legislative committee to which it is referred shall review the plan to determine whether the plan can reasonably be expected to achieve greater economy, efficiency or improved administration in state government. The committee shall report its findings to the legislative research commission. The committee shall review and report on the plan and the legislative research commission shall act upon the plan within sixty (60) days after it is filed with the legislative research commission. If the legislative research commission finds that increased economy or efficiency or improved administration can be expected from implementation of the plan, it shall approve the plan; otherwise, it shall not approve the plan. If the commission does not act on a proposed plan within the time specified in this subsection, the plan shall be considered approved by the legislative research commission.

(5) A temporary reorganization effected by the governor under subsections (2) to (4) of this section shall be terminated ninety (90) days after sine die adjournment of the next regular session of the general assembly unless otherwise specified by the general assembly. If the general assembly fails to enact the temporary reorganization plan or an alternative to such plan, the organizational structure that existed immediately prior to the implementation of the temporary plan shall be reinstated upon the termination of the temporary plan. If the general assembly fails to enact a temporary reorganization plan, the governor shall not effect the plan prior to the next succeeding session of the general assembly.

(6) The legislative research commission or the legislative program review and investigations committee may monitor the implementation of any reorganization plan to determine the extent to which the anticipated improvements in economy, efficiency or administration have been realized as a result of the reorganization and shall report its findings to the general assembly.

(7) Funds transferred due to reorganization shall be maintained in separately designated accounts. Any excess funds resulting from a reorganization shall lapse to the general fund surplus account.

SECTION 57. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

The governor may appoint advisory or study committees to assist and recommend to him on problems concerning the various functions, organizational units and administrative bodies of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

Section 58. KRS 12.015 is amended to read as follows:

Unless specifically provided otherwise, each administrative body established by statute or *statutorily authorized* [~~the appropriate~~] executive action shall be included for administrative purposes in an existing department or program cabinet. When an administrative body is established and the law establishing it does not specify the department or program cabinet within which the body is to be included, the governor shall assign the body to an existing department or program cabinet *in accordance with this chapter.*

Section 59. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or *statutorily authorized* executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:

1. The governor.

2. Lieutenant governor.

3. Department of state.

(a) Board of elections.

4. Department of law.

(a) Consumers advisory council.

(b) Travel assistance board.

5. Department of the treasury.

6. Department of agriculture.

(a) State board of agriculture.

(b) Milk marketing and antimonopoly commission.

7. Department of education.

(a) Superintendent of public instruction.

(b) State board for elementary and secondary education.

(c) The department for elementary and secondary education.

(d) State board for occupational education.

(e) The department for occupational education.

(f) State textbook commission.

8. Auditor of public accounts.

9. Railroad commission.

II. Cabinet departments headed by appointed officers:

1. Department of finance.

(a) State property and buildings commission.

(b) Turnpike authority of Kentucky.

(c) Capital plaza authority.

(d) Kentucky pollution abatement authority.

(e) Kentucky health and geriatric authority.

(f) Kentucky savings bond authority.

(g) Spindletop foundation.

(h) Kentucky public employes deferred compensation system.

2. Department of transportation.

(a) Railroad commission.

(b) Motor vehicle dealers board.

3. Department for natural resources and environmental protection.

(a) Environmental quality commission.

(b) Soil and water conservation commission.

(c) Ohio river sanitation commission.

4. Department of justice.

(a) Kentucky crime commission.

(b) Parole board.

(c) Kentucky law enforcement council.

(d) Commission on corrections and community service.

(e) State police personnel board.

5. Department for human resources.

(a) Citizens commission for human resources.

(b) Advisory council for medical assistance.

(c) Unemployment insurance commission.

(d) Certificate of need and licensure board.

(e) Generic formulary council.

(f) Kentucky cancer commission.

(g) Statewide health coordinating council.

6. Department of energy.

(a) Bureau of energy research.

(b) Bureau of energy management.

(c) Advisory council for energy and natural resources.

(d) Energy research board.

(e) Kentucky geological survey.

Cabinet for development

Department of agriculture (headed by elected officer).

7. Department of commerce.

(a) Kentucky industrial development finance authority.

8. Department of fish and wildlife resources.

(a) Fish and wildlife resources commission.

9. Department of parks.

(a) Breaks interstate park commission.

10. Kentucky historical events celebration commission.

11. State fair board.

12. Economic development commission.

13. The governor's council on agriculture.

14. Kentucky film commission.

15. Department for local government.

16. State horse park board.

17. Office for program administration.

18. Kentucky urban development office.

19. Kentucky tobacco research board.

Cabinet for education and the arts.

20. Kentucky arts commission.

21. Bureau for the blind.

Department of education (headed by elected officer).

22. Kentucky authority for educational television.

23. Kentucky heritage commission.

24. Kentucky historical society.

25. Department of library and archives.

(a) State archives and records commission.

(b) State board for certification of librarians.

26. Advisory council for vocational education and manpower development and training.

Cabinet for public protection and regulation.

27. Department for alcoholic beverage control.

(a) Alcoholic beverage control board.

28. Department of banking and securities.

29. Department of insurance.

(a) Custodian of insurance securities.

30. Department of labor.

(a) Workmen's compensation board.

(b) Occupational safety and health standards board.

(c) State labor relations board.

31. Department of mines and minerals.

32. Kentucky registry of election finance.

33. Energy regulatory commission and utility regulatory commission.

34. Kentucky quarterhorse and appaloosa commission.

35. Kentucky state racing commission.

36. Kentucky harness racing commission.

37. Kentucky board of tax appeals.

38. Department of housing, buildings and construction.

(a) Kentucky housing corporation.

39. Board of claims.

40. Crime victims compensation board.

III. Other departments headed by appointed officers:

1. Department of military affairs.

2. Department of personnel.

(a) Personnel board.

3. Department of public information.

4. Department of revenue.

5. Human rights commission.

6. Council on higher education.

7. Teachers' retirement system.

8. Kentucky employes' retirement system.

9. Commission on women.

Section 60. KRS 12.023 is amended to read as follows:

The following *organizational units and* administrative bodies shall be attached to the office of the governor:

(1) Council on higher education (The state universities and colleges shall report through the council on higher education).

(2) Department of military affairs.

(3) Department of personnel.

(4) Department of public information.

(5) Department of revenue.

(6) Human rights commission.

(7) Teachers' retirement system.

(8) Kentucky employes' retirement system.

(9) Commission on women.

Section 61. KRS 12.027 is amended to read as follows:

When the governor effects a *temporary* reorganization under *Section 56 of this Act* [~~KRS 12.025~~], *he shall do so* by executive order *filed with the legislative research commission and the secretary of state, and* he shall clearly designate the order as one relating to reorganization. The secretary of state shall keep a copy of all executive orders relating to organization.

SECTION 62. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

As used in KRS 42.010, unless the context requires otherwise:

(1) "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by statutorily authorized executive action as a "department";

(2) "Division" means a major branch of a department established by statute or by statutorily authorized administrative action;

(3) "Administrative body" includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form or organization in the executive branch of government, but does not include "department," "program cabinet" or "division";

(4) "Program cabinet" means a group of departments, or departments and commissions, or other administrative bodies, designated by statute or statutorily authorized executive action as a "program cabinet."

Section 63. KRS 42.010 is amended to read as follows:

As used in KRS 42.023 to 42.030, unless the context requires otherwise, "state agency" means any state administrative body, [~~agency,~~] department or division as defined by *Section 62 of this Act* [~~KRS 12.010~~].

Section 64. KRS 56.440 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the state property and buildings commission.

(2) "Real estate" includes lands together with improvements thereon and appurtenances thereto.

(3) "Building" includes any structure or improvement upon real estate of a permanent nature and additionally includes any sites, structures, equipment, machinery or devices for the purpose of establishing, developing or furthering television or related services in aid of education or in aid of any other proper public functions, whether or not the same would otherwise be legally defined as buildings; but only if used or to be used by the Commonwealth of Kentucky or one of its departments or agencies (not including independent municipal corporations or political subdivisions).

(4) "Building project" includes the construction, reconstruction and structural maintenance of buildings, the installation of utility services, including roads and sewers, and the purchase and installation of equipment, facilities and furnishings of a permanent nature for buildings, and the purchase and installation initially of movable equipment, furnishings and appurtenances necessary to make a building operable, and for television or related purposes as referred to in subsection (3) of this section, for use by the state government or one of its departments or agencies, not including any independent municipal corporation or political subdivision.

(5) "State agency" means any state administrative body, agency, department or division as defined in *Section 62 of this Act* [~~KRS Chapter 12~~], or any board, commission, institution, or division exercising any function of the state but which is not an independent corporation or political subdivision.

(6) "Department" means the department of finance.

Section 65. KRS 342.350 is amended to read as follows:

(1) In order to comply with KRS 342.340 groups of employers may form, either among themselves or with employers in other states, mutual insurance associations or reciprocal or interinsurance exchanges subject to the insurance laws of this state and such reasonable conditions and restrictions not inconsistent therewith as may be fixed by the board. Membership in such mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.

(2) The board may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company authorized to transact insurance in this state or to make such deposit with a bank or trust company of this state as shall in either case be approved by the board for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars ($100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance, shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make such a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(4) In addition, the board, under rules and regulations as it shall prescribe, may permit two (2) or more employers to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insurers. Employers securing certification as group self-insurers are regulated by the rules and regulations drawn by the workers' compensation board and are not to be in any way subject to the provisions of subsections (1), (2), and (3) of this section; provided, however, that the governor may assign the regulatory authority under this subsection to another board or agency pursuant to *Section 56 of this Act* [~~KRS 12.025~~].

on page 83, line 14, by changing "55" to "66"; and

on page 84, line 10, by changing "56" to "67"; and

on page 85, line 1, by changing "57" to "68"; and

on page 85, between lines 2 and 3, by inserting the following: "KRS 12.025 Governor's reorganization powers".

Floor Amendment No. 2 to **HB 785**, by Representative Kenton:

Amend printed copy of **HB 785**, page 8, lines 2 and 3, by deleting "*office of tourism development, department of economic development*" and inserting in lieu thereof "*department of the arts*"; and

on page 9, lines 6 and 7, by deleting "*office of tourism development, department of economic development*" and inserting in lieu thereof "*department of the arts*"; and

on page 42, lines 5 and 6, by deleting "*, each headed by a director appointed by the commissioner pursuant to KRS 12.050*"; and on line 17, by inserting after "*tucky*" the words "*and providing staff services needed by the arts council in order to perform its duties under KRS 153.220*; and

on page 43, by inserting the following between lines 2 and 3: "*(3) The division of the arts shall be headed by a director appointed by the governor from a list of three (3) nominees submitted by the arts council.*"; and

on page 43, line 5, by changing "*is hereby*" to "*may be*"; and

on page 43, line 6, by changing "*shall*" to "*may*"; and

on page 43, line 7, by inserting "*up to*" in front of "*seventeen*"; and

on page 43, line 9, by placing a period after "governor" and by deleting the remainder of the line thereafter, and by deleting lines 10 through 15 in their entirety; and

on page 45, line 9, by inserting "*arts*" before "*council*"; and

on page 46, line 9, by inserting after "(8)" the words "*Receive applications, interview and recommend to the governor three (3) persons as nominees for appointment as*", and by deleting the rest of line 9 thereafter; and

on line 10, by deleting "*tor who shall be*"; and

on page 84, by deleting lines 3 and 4 in their entirety; and

on page 84, between lines 9 and 10, by inserting the following:

"Section 56. Executive Order 81-574 (established Department of the Arts and Office of Tourism Development) is confirmed to the extent that it does not conflict with the other provisons of this Act"; and

on page 84, line 10, and page 85, line 1, by renumbering sections accordingly

on page 42, line 24, after "*include*" by inserting the words "*providing staff services needed by the heritage council in order to perform its duties under KRS 171.381, including but not limited to*"; and

on page 43, between lines 2 and 3, by inserting the following: "*(4) The heritage division shall be headed by a director appointed by the governor from a list of three (3) nominees submitted by the heritage council.*"; and

on page 59, between lines 1 and 2, by inserting the following:

"SECTION 39. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

(1) There is established the Kentucky heritage council (hereinafter referred to as "the council") which shall perform the functions specified in KRS 171.381.

(2) The membership of the council shall consist of not more than sixteen (16) members who have an interest in the preservation and protection of Kentucky's heritage. On or before September 15, 1982, the governor shall appoint not more than four (4) members for a term of one (1) year, not more than four (4) members for a term of two (2) years, not more than four (4) members for a term of three (3) years, and not more than four (4) members for a term of four (4) years. Thereafter, the governor shall make all appointments for a term of four (4) years.

(3) Council members shall receive no compensation for their services but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

(4) From the council membership the governor shall appoint a chairman and a vice-chairman of the council. The council may elect by majority vote other officers deemed necessary.

(5) The council shall meet at the call of the chairman, but not less often than twice during each calendar year. A majority of the members appointed to the council shall constitute a quorum.

(6) The council shall be attached to the department of the arts for administrative purposes."

and by renumbering subsequent sections of the bill accordingly; and

on page 59, line 4, by placing a bracket "[" after "(1)" and by deleting "*within the department of*"; and

on page 59, by deleting line 5 in its entirety; and

on page 59, line 6, by deleting "*successor to*" and by deleting "*, which is*"; and

on page 59, line 7, by deleting "*abolished*" and by deleting the brackets and strike throughs thereafter; and

on page 59, line 8, by deleting the strike throughs and bracket; and

on page 59, line 9, by placing a bracket "]" after "(2)" and by deleting the remainder of line 9 thereafter; and

on page 59, line 10, by deleting "*of the arts*" and inserting in lieu thereof "*the heritage council*" and

on page 60, line 11, by changing "*department*" to "*council*"; and

on page 60, line 20, by changing "*department*" to "*council*"; and

on page 61, line 6, by changing "*department*" to "*council*"; and

on page 61, line 19, by changing "*department*" to "*council*"; and

on page 61, line 26, by changing "*department's*" to "*council's*"; and

on page 62, line 16, by deleting "*The governor shall appoint*", and by inserting in lieu thereof the following: "*The council shall receive applications, interview and recommend to the governor three (3) persons as nominees for appointment as the director of the heritage division, department of the arts. The director of the heritage division shall be*"; and

on page 63, line 19, by inserting "*heritage division,*" before "*department*"; and

on page 64, line 9, by inserting "*heritage division,*" before "*department*".

Floor Amendment No. 2 to **HB 816,** by Representative Dawahare:

Amend printed copy of **HB 816,** page 8, after line 11, by adding a new section to read as follows:

"Section 6. KRS 138.140 is amended to read as follows:

A tax shall be paid on the sale of cigarettes within the state at a proportionate rate of *six cents (6¢)* [~~three cents (3¢)~~] on each twenty (20) cigarettes. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state."

Floor Amendment No. 3 to **HB 816,** by Representative Dawahare:

Amend printed copy of **HB 816,** page 8, after line 11, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The first five million dollars ($5,000,000) of annual receipts from the coal severance tax shall be deposited with the School Building Authority."

Floor Amendment No. 4 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816**, page 8, line 5, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a local government review commission, whose members shall be appointed by the Governor, which shall review all construction and plumbing projects in the Commonwealth.

(2) Any company which is owned by or employs a member of the Kentucky House of Representatives shall be barred from contracting with any local government for the purpose of construction or plumbing projects."

Floor Amendment No. 5 to **HB 816**, by Representative Patrick:

Amend printed copy of **HB 816**, page 8, line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

One-half of all alcoholic beverage taxes collected in Kentucky shall be distributed to the fiscal courts of all counties on a per capita population basis.

Floor Amendment No. 6 to **HB 816**, by Representative Patrick:

Amend printed copy of **HB 816**, page 8, line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

The red fox of Kentucky, which resides at abandoned coal mines, is declared to be an endangered species and is entitled to be protected under this chapter.

Floor Amendment No. 7 to **HB 816**, by Representative Patrick:

Amend printed coy of **HB 816**, page 8, after line 4, by adding the following language:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

All tax revenue generated by the sale of thoroughbred horses shall be distributed to the counties of the Commonwealth in the same manner as coal severance tax revenues."

Floor Amendment No. 8 to **HB 816**, by Representative Noe:

Amend printed copy of **HB 816**, page 8, after line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is hereby appropriated out of the General Fund in the State Treasury $10 million for each of the fiscal years 1982-83 and 1983-84.

Floor Amendment No. 9 to **HB 816**, by Representative Noe:

Amend printed copy of **HB 816**, page 8, after line 4, by adding the following:

Section 6. Whereas the provisions of this act will effect the revenues of all Kentucky counties and cities, and whereas all Kentucky counties and most cities are on a July 1-June 30 fiscal year, therefore, an emergency is declared to exist and this act shall become effective on July 1, 1982.

Floor Amendment No. 10 to **HB 816**, by Representative Noe:

Amend printed copy of **HB 816,** enacting clause, by deleting the enacting clause in its entirety.

Floor Amendment No. 11 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 2, line 2, by blacing a bracket before and after the amount, "$177.6", and striking through that figure, and inserting in lieu thereof the amount, *$10.0*

Floor Amendment No. 12 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 6, line 3, by deleting the word "*Thirty*" and inserting in lieu thereof the word *Ninety*, and by deleting the percentage "*(30%)*", and inserting in lieu thereof the percentage *(90%)*;

line 7, by deleting the word "*Fifteen*", and inserting in lieu thereof the word "*Five*" and by deleting the percentage "*(15%)*" and inserting in lieu thereof the percentage *(5%)*;

lines 23-26 by deleting lines 23-26 in their entirety;

page 7, line 1, by deleting the punctuation mark ";"

line 2, by deleting the following: "*(a) Fifty percent (50%)*";

lines 5-8, by deleting lines 5 through 8 in their entirety.

Floor Amendment No. 13 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** pages 1-8, by deleting all the lines on pages 1-8.

Floor Amendment No. 14 to **HB 816,** by Representative P. Richardson:

Amend printed copy of **HB 816,** pages 1 through 8, by removing all brackets and deleting all underlined or new language.

Floor Amendment No. 15, by **HB 816,** by Representative P. Richardson:

Amend printed copy of **HB 816,** page 8, line 5, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall become effective on July 1, 1983."

Floor Amendment No. 16 to **HB 816,** by Representative Moore:

Amend printed copy of **HB 816,** pages 1 through 8, by removing all brackets and deleting all underlined or new language.

Floor Amendment No. 17 to **HB 816,** by Representative Maggard:

Amend printed copy of **HB 816,** page 8, line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Five percent of all coal severance tax monies collected shall be returned to the coal producing counties for economic development.

Floor Amendment No. 18 to **HB 816,** by Representative Maggard:

Amend printed copy of **HB 816,** page 8, line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

Five percent of all coal severance tax monies collected shall be expended by the State Board of Education either directly or by grant to local boards of education.

Floor Amendment No. 19 to **HB 816,** by Representative Maggard:

Amend printed copy of **HB 816,** page 8, line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

Ten million dollars of all coal severance tax collections shall be credited to the Power Equilization Program of the Department of Education.

Floor Amendment No. 20 to **HB 816,** by Representative Deskins:

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following language:

"Section 6. It is proposed that Section 255 of the Constitution of Kentucky be amended to read as follows:

The seat of government shall *move from county to county so as to share the wealth among the counties of the revenue generated by the business and employees of state government* [~~in the city of Frankfort, unless removed by a vote of two-thirds of each house of the first general assembly which convenes after the adoption of this Constitution~~].

Section 7. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution of Kentucky and under KRS 118.415."

Floor Amendment No. 21 to **HB 816,** by Representative Deskins:

Amend printed copy of **HB 816,** page 8, line 5, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Upon the effective date of this Act all revenues received from the collection of the excise tax on cigarettes pursuant to KRS 138.140 shall be returned to the 120 counties as prorated to each county upon the basis of population."

Floor Amendment No. 22 to **HB 816,** by Representative Deskins:

Amend printed copy of **HB 816,** page 1, title, by deleting the current title in its entirety and inserting in its place "AN ACT relating to the sharing of wealth."

Floor Amendment No. 23 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, line 4, by adding the following:

Section 6. KRS 171.201 is amended to read as follows:

(1) For grants to public libraries for promoting, aiding and equalizing public library service in Kentucky there may be funds appropriated out of the General Expenditure Fund of the State Treasury.

(2) In addition to any other funds appropriated to the department of library and archives, there shall be appropriated annually to the department out of the general expenditure fund of the state treasury monies which the department shall distribute to public libraries on the basis of fifty cents (50¢) per capital to be used for any or all of the following:

(a) Purchase of library materials and equipment;

(b) Maintenance and operation of bookmobiles and extention programs;

(c) Staff training and compensation;

(d) Building maintenance; and

(e) Resource-sharing.

Section 7. In order to implement the provisions of subsection (2) of Section 1 of this Act, there is hereby appropriated out of the General Fund for the fiscal year 1982-1983 the sum of $1,830,716.50 and for the fiscal year 1983-1984 the sum of $1,830,716.50.

Floor Amendment No. 24 to **HB 816**, by Representative Moore:

Amend printed copy of **HB 816**, page 8, line 5, by adding the following new language:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

All receipts collected from the tax on distilled spirits and cigarettes shall be distributed equally to all counties of the Commonwealth regardless of population."

Floor Amendment No. 25 to **HB 816**, by Representative Little:

Amend printed copy of **HB 816**, page 8, line 5, by adding the following language:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

Upon the effective date of this Act the state department of personnel shall furnish to the Legislative Research Commission the number of state employees on the state payroll. The Legislative Research Commission shall determine the number of employees per county and report these findings to the Governor. The Governor shall see that each county of the Commonwealth is allotted an equal number of employees per county."

Floor Amendment No. 26 to **HB 816**, by Representative White:

Amend printed copy of **HB 816**, page 3, after line 17, by inserting the following: "*Fifty percent (50%) of the funds allocated under the subsection shall be used in category (j) for adult education programs.*"

Floor Amendment No. 27 to **HB 816**, by Representative Noe:

Amend printed copy of **HB 816**, page 8, after line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

There is hereby imposed an annual fee of $12,000 for the privilege of performing plumbing-type work in conjunction with a local government project in a county containing a state capitol.

Floor Amendment No. 28 to **HB 816**, by Representative Noe:

Amend printed copy of **HB 816**, page 8, after line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

The tax imposed by KRS 141.020 shall not apply for any tax year to individuals residing in a county which produces coal at any time during that respective tax year.

Floor Amendment No. 29 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, after line 4:

SECTION 6. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

All individuals shall be exempt from the tax levied under the provisions of KRS 141.020 except individuals residing in a county containing a state capitol.

Floor Amendment No. 30 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. There is hereby appropriated out of the General Fund in the state treasury the sum of $25 million for fiscal year 1982-83, which sum shall be used to fund local government spouse abuse centers. The Department for Human Resources shall be responsible for the allocation of this appropriation.

Floor Amendment No. 31 to **HB 816,** by Representative Perkins:

Amend printed copy of **HB 816,** page 1, lines 1 thru 20, by deleting lines 1-20.

page 2, lines 1-26 by deleting lines 1-26.

page 3, lines 1-26 by deleting lines 1-26.

page 4, lines 1-26 by deleting lines 1-26.

page 5, lines 1-26 by deleting lines 1-26.

page 6, lines 1-26 by deleting lines 1-26.

page 7, lines 1-26 by deleting lines 1-26.

page 7, lines 1-26 by deleting lines 1-26.

page 8, lines 1-4 by deleting lines 1-4.

Floor Amendment No. 32 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) All sales and use taxes collected from taxpayers located in a county containing a state capitol shall be transferred from the General Fund into the Local Government Economic Assistance Fund.

(2) Funds allocated under the provisions of subsection (1) of this section shall be allocated among the counties according to the provisions of section 3 of this act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

The sales and use tax rate applicable to sales, use, storage, and consumption of tangible personal property in counties containing a state capitol shall be 10% rather than 5%.

Floor Amendment No. 1 to **SB 2,** by Representative Mann:

Amend printed copy of **SB 2,** on page 2, line 9, by deleting lines 9 through 19 in their entirety.

Floor Amendment No. 1 to **SB 234,** by Representative Holbrook:

Amend printed copy of **SB 234**, page 2, line 7, by adding the following:

"Section 2. KRS 289.705 is amended to read as follows:

Notwithstanding any restrictions elsewhere contained in this chapter the commissioner may prescribe, amend and repeal regulations authorizing state-chartered savings and loan associations to make any loans *and any investments*, [~~and~~] accept savings accounts and deposits, and provide for the payments of dividends or interest thereon, *and other matters* under the same terms, conditions, limitations, restrictions and safeguards which such associations could make or do were they operating as federal savings and loan associations at the time such authority is granted, provided that such regulations shall have as their objective the placing of state-chartered savings and loan associations on a substantial, competitive, operating parity with federal savings and loan associations, in order that the dual system of savings associations may be preserved."

Floor Amendment No. 3 to **SB 274**, by Representative Clapp:

Amend printed copy of **SB 274**, by the following:

page 26, line 14 through line 7 on page 27 by deleting subsection (1) in its entirety and renumbering succeeding subsections accordingly.

page 27, line 10, by deleting the quantity "three-fourths (¾)" and inserting in lieu thereof the quantity *one-fourth (¼)*

page 27, line 11, by inserting after the phrase, "amount of" the words *payroll and other remuneration upon which* and by inserting after the word premiums the words *are determined* and by deleting the word received.

page 27, line 14, by deleting the phrase "adjusted cost" and inserting in lieu thereof the word *payroll*

page 27, line 16, by deleting the quantity three-fourths (¾) and inserting in lieu thereof the quantity *one-fourth (¼)*

page 27, lines 17-22, by deleting all language following the words "of the" and inserting in lieu thereof the words *payroll of such employer.*

page 29, line 5, by deleting the phrase "adjusted cost" of and inserting in lieu thereof the words *report of payroll submitted by* and by inserting (.) after the word subscriber and by deleting all language thereafter through line 8 of page 29.

page 30, line 15, by deleting the phrase "assessment payer's" and inserting in lieu thereof the words *report of payroll.*

page 30, line 23, by deleting the phrase "adjusted cost" and on line 24 by deleting the phrase "adjusted cost" and on lines 24 and 25 by deleting the words assessment payers and inserting in lieu thereof the words *reports of payroll.*

Floor Amendment No. 4 to **SB 274**, by Representative Turner:

Amend printed copy of **SB 274**, page 21, after line 16, by inserting the following:

"*(10) As a protection for benefits due injured or disabled workers, investments of the reinsurance association shall be limited to obligations of the United States government or insured by an instrumentality of the United States government.*"

Floor Amendment No. 4 to Committee Substitute to **HB 194**, by Representative Bruce:

Amend printed copy of Committee Substitute to **HB 194**, page 8, after line 21, by adding the following:

"Section 4. This Act shall become effective July 1, 1983.

Section 5. This Act shall become effective July 1, 1983, or on such earlier date as interstate banking shall expressly be permitted by federal statutory law."

Floor Amendment No. 3 to **HB 785**, by Representative Thomason:

Amend printed copy of **HB 785**, page 83, between lines 13 and 14, by inserting the following:

Section 55. KRS 13.085 is amended to read as follows:

(1) Except as provided in subsection (2) of this section no regulation made by any administrative body after July 15, 1980 shall become effective until after an original and five duplicate copies of the regulation are forwarded to the office of the legislative research commission, and:

(a) The proposed regulation has been published in the administrative register as required by KRS 13.096; and

(b) A public hearing is held, if requested, by a person having an interest in the subject matter, within thirty (30) days following publication of proposed regulation, as provided by subsection (4) of this section; provided, however, that if no public hearing is requested within thirty (30) days of publication the regulation shall be submitted *by the legislative research commission* to the administrative regulation review subcommittee *or to the appropriate interim joint committee*; and

(c) The proposed regulation has been reviewed and accepted by the *legislative research commission* [~~administrative regulation review subcommittee~~] as required by KRS 13.087; or

(d) [~~The proposed regulation is reviewed and accepted by the appropriate interim committee, if required by KRS 13.087; or~~

~~(e)~~] The proposed regulation is placed before and not disapproved by the general assembly, if required by KRS 13.087.

(2) The requirements of subsection (1) of this section shall not apply when the administrative body finds that an emergency exists, and the governor issues an executive order that the regulation become effective immediately upon being filed in the office of the legislative research commission. A regulation so filed shall expire upon sine die adjournment of the next regular session of the general assembly, provided that between the filing of the regulation and such sine die adjournment the proposed regulation may be processed in accordance with this section if the administrative body desires it to become permanent after sine die adjournment of the next regular session of the general assembly. The general assembly hereby declares that it is the state policy that emergencies are held to a minimum. Within sixty (60) days after an emergency regulation is filed under this subsection, the subcommittee shall review the emergency regulation and may recommend that the governor revoke such regulation. The subcommittee and the interim committee with appropriate jurisdiction may also review an emergency regulation at any time while it is in effect and may recommend that the governor revoke such regulation.

(3) Each proposed or revised regulation submitted to the legislative research commission shall include a citation of the authority pursuant to which it, or any part of it, was adopted, a brief statement which sets forth with particularity the necessity for issuing the regulation, a summary of the functions sought to be implemented by the proposed or revised regulation, and the place and manner in which interested persons may present their views. A violation of this subsection shall constitute reason for rejection of the proposed regulations.

(4) If within thirty (30) days following publication of the text of a proposed regulation a request is received by the administrative body from a person having an interest in the subject matter of the regulation to offer comment upon the proposed regulation, the administrative body shall fix a date, time and place for a hearing, open to the public, on the proposed regulation. Every hearing shall be conducted in such a manner so as to guarantee each person who wishes to offer comment a fair and reasonable opportunity to do so; provided, however, every hearing shall be conducted so as to be completed within sixty (60) days from the date the proposed regulation was first published in the administrative register. No transcript need be taken of the hearing unless a written request for a transcript is made in which case the person requesting the transcript shall have the responsibility of paying for same. Following the hearing the administrative body shall give affirmative consideration to all written and oral statements submitted regarding the proposed regulation. The administrative body shall then forward to the legislative research commission within ninety (90) days of the hearing, a copy of the regulation as amended, if amended as a result of the hearing a statement indicating what changes have been made in the original wording, and a statement summarizing the comments submitted

to the administrative body at the hearing. If the regulation is amended as a result of the hearing, the full text shall be reprinted in the administrative register prior to subcommittee consideration.

(5) The legislative research commission shall cause to be endorsed on the original and duplicate copies of each regulation submitted the time and date of the filing thereof and shall maintain a file of such regulations for public inspection, with suitable indexes.

Section 56. KRS 13.087 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the administrative regulation review subcommittee. The subcommittee shall be composed of seven (7) members, no more than five (5) of whom shall be members of the same political party. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) Prior to filing, all regulations shall be submitted *by the legislative research commission* to the administrative regulation review subcommittee *or to the interim joint committee with appropriate jurisdiction* to determine if the regulation conforms to the statutory authority under which it was promulgated and if it carries out the legislative intent of the statutory authority under which it was promulgated. [~~If the subcommittee finds that a regulation conforms to such statutory authority and carries out such legislative intent, the subcommittee shall accept the regulation.~~] The subcommittee's *or interim joint committee's* finding that a regulation does *or does* not conform to the statutory authority or carry out the legislative intent shall be reported to the [~~promulgating administrative body and to the director of the~~] legislative research commission. *If the legislative research commission finds that a regulation conforms to statutory authority and carries out the legislative intent, the commission shall accept the regulation.* In the event the *commission* [~~subcommittee~~] determines that a regulation, other than an emergency filing approved by the governor, does not conform to the statutory authority, or does not coincide with the legislative intent, the *commission* [~~subcommittee~~] shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and shall return the regulation to the promulgating administrative body. Notice of such objection shall be given [~~by the subcommittee~~] to the director of the legislative research commission. The *commission* [~~subcommittee~~] shall act on a regulation submitted to the legislative research commission within thirty (30) days of the submission of the regulation.

(5) The promulgating administrative body may revise a regulation to comply with the *commission's* [~~subcommittee's~~] objections, and may return the revised regulation to the *commission* [~~subcommittee~~], or it may return the regulation, with the *commission's* [~~subcommittee's~~] notation attached, without change. The *commission* [~~subcommittee~~] shall act upon a revised regulation in the manner prescribed by subsection (4) of this section. The legislative research commission *staff* shall immediately accept a revised regulation as filed if it is not objected to by the *commission* [~~subcommittee~~].

(6) [~~In the event that the general assembly is not in regular session and an administrative body returns a regulation, objected to by the subcommittee, to the legislative research commission without change, the regulation shall be referred by the director to the interim committee with appropriate jurisdiction as determined by the rules of the house and senate in effect during the most recent session of the general assembly.~~] If the general assembly is in regular session when an administrative body returns a regulation, objected to by the *commission* [~~subcommittee~~], without change, the regulation shall be laid before the house of representatives and senate in accordance with subsection *(8)*[~~(9)~~] of this section.

(7) [~~The interim committee to which a regulation is referred under subsection (6) of this section shall review the regulation in the same manner as did the administrative regulation review subcommittee and shall not expand its review beyond determining whether the regulation conforms to the statutory authority under which it was promulgated and whether the regulation carries out the legislative intent of the statute it seeks to implement. If the interim committee finds that the regulation conforms to such statutory authority and~~]

~~carries out such legislative intent, the committee shall accept the regulation. In the event the interim committee determines that a regulation does not conform to the statutory authority under which it was promulgated, or does not coincide with the legislative intent of the statute it seeks to implement the interim committee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and the director shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the interim committee to the director of the legislative research commission. The interim committee shall act on a regulation submitted in accordance with this section within thirty (30) days of the date the administrative body returns the regulation; provided, however, if there is no authorized meeting of the interim committee within such thirty (30) day period, the legislative research commission shall take action on the returned regulation in the same manner herein described at its next regularly scheduled meeting.~~

~~(8)~~] The subcommittee shall report monthly to the legislative research commission all action taken on administrative bodies' regulations. The director of the legislative research commission shall report to the commission all action taken by the interim committee.

(8)[~~(9)~~] All proposed regulations not accepted by the *legislative research commission* [~~subcommittee~~] or interim committee together with the notations of the *commission's* [~~subcommittee's and the interim committee's~~] objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives at the then-current or next succeeding regular session of the general assembly. The clerk of the senate and the clerk of the house of representatives shall lay all regulations so transmitted before the senate and the house of representatives, respectively, provided that in no case shall a regulation be laid before the general assembly within ten (10) legislative days of sine die adjournment unless so ordered by the general assembly. Proposed regulations not accepted by the *commission* [~~subcommittee or interim committee~~] that have been properly laid before the general assembly shall become effective upon sine die adjournment of the general assembly unless the general assembly in regular session shall disapprove the proposed regulation.

(9)[~~(10)~~] Notwithstanding any other provision of this section or KRS 13.085, the general assembly may, during regular sessions and by concurrent resolution:

(a) Require any proposed regulation or proposed revised regulation that has been submitted to the legislative research commission, whether or not the *commission* [~~subcommittee~~] has acted on such regulation, to be laid before the general assembly, whereupon subsection *(8)*[~~(9)~~] of this section shall apply to the regulation; or

(b) Require any regulation then in effect to be laid before the general assembly and may declare the regulation void by enacting a bill or joint resolution voiding the regulation.

SECTION 57. A NEW SECTION OF KRS CHAPTER 13 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of law, when the general assembly is not in session, no administrative regulation made by any administrative body, after the effective date of this Act, except an emergency regulation, shall become effective until accepted by the legislative research commission.

(2) Until an administrative regulation is accepted by the legislative research commission, it shall be of no force and effect.

(3) If the provisions of this section are held to be unconstitutional, no administrative body shall have authority to promulgate any regulations, notwithstanding any other provision of the law."

and on page 83, line 14, on page 84, line 10, and on page 85, line 1, by renumbering sections accordingly.

Representative LeMaster moved that **HB 649** be recommitted to the Committee on Appropriations and Revenue. Agreed.

Representative LeMaster moved that **HB 804** be withdrawn. Agreed.

Representative LeMaster moved that the Rules be suspended for Report of Committees and Introduction of Resolutions. Agreed.

Introduction of Resolutions:

HR 88, by Representatives Worthington and Lundergan: A RESOLUTION commending the 1981-82 Mason County Royals Boys Basketball team, the Coaching staff of the Royals, and the many supporters of Mason County basketball.

HR 89, by Representatives Noe, Barrows, Bendl, Perkins, Williams, Mann, T. Jones, Moberly, Stumbo, Nett, Maggard, Worthington, Blevins, and F. Smith: A RESOLUTION stating the policy that no nuclear power plants be allowed to be built in Kentucky.

HR 90, by Representative Noe: A RESOLUTION requesting the Interim Joint Committee on Education to study the Kentucky School for the Blind and the Kentucky School for the Deaf to determine their role in the Commonwealth's responsibility to provide an appropriate education for all handicapped children.

HR 91, by Representatives Nett, Holbrook, Brinkley, Burch, Cowan, Worthington, Dawahare, Perkins, Lundergan, Clapp, Mann: A RESOLUTION supporting the two Kentucky coal conversion projects currently being evaluated for federal support.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **SJR 10, HR 40, SB 167, SB 193, SB 17, SB 291, SB 327, SB 138, SB 390, HB 497, HB 209, HB 684.**

Transportation: **HB 783, HR 32.**

Appropriations and Revenue: **HB 92.**

Judiciary-Civil: **SB 366.**

Energy: **HR 86, HR 85.**

Banking and Insurance: **SB 315.**

The Clerk announced **HB 104** has been withdrawn from Committee consideration by the Committee on Banking and Insurance.

A Discharge Petition was filed on **HB 454.**

Report of Committees

The Committee on Counties and Special Districts reported **SB 271,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 271, AN ACT relating to death investigations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 72 IS CREATED TO READ AS FOLLOWS:

Coroners shall require a post mortem examination to be performed in the following circumstances:

(1) When the death of a human being appears to be caused by homicide or violence;

(2) When the death of a human being appears to be the result of suicide;

(3) When the death of a human being appears to be the result of the presence of drugs or poisons in the body;

(4) When the death of a human being appears to be the result of a motor vehicular accident and the operator of the motor vehicle left the scene of the accident or the body was found in or near a roadway or railroad;

(5) When the death of any human being occurs while the person is in police custody, jail or penal institution, except pursuant to a sentence of death, or state mental institution or mental hospital where there is no previous medical history to explain the death;

(6) When the death of a human being occurs in a motor vehicle accident and when an external examination of the body does not reveal a lethal traumatic injury;

(7) When the death of a human being appears to be the result of a fire or explosion;

(8) When the death of a child appears to indicate child abuse prior to the death;

(9) When the manner of death appears to be other than natural;

(10) When human skeletonized remains are found;

(11) When post mortem decomposition of a human corpse exists to the extent that external examination of the corpse cannot rule out injury or where the circumstances of death cannot rule out the commission of a crime;

(12) When the death of a human being appears to be the result of drowning;

(13) When the death of an infant appears to be caused by sudden infant death syndrome in that the infant has no previous medical history to explain the death;

(14) When the death of a human being occurs as a result of an accident involving an airplane;

(15) When the death of a human being occurs under the age of forty (40) and there is no past medical history to explain the death;

(16) When the death of a human being occurs at the work site and there is no apparent cause of death such as an injury or when industrial toxics may have contributed to the cause of death; and

(17) When the body is to be cremated and there is no past medical history to explain the death.

Section 2. KRS 72.020 is amended to read as follows:

(1) Any person, hospital or institution, finding or having possession of the body of any person [~~slain, drowned or otherwise suddenly killed, or whose death occurred without the attendance of a physician thirty-six (36) hours prior to death, or~~] whose death occurred under any of the circumstances defined *in subsections (1) through (12) of Section 1 of this Act* [~~as a coroner's case under KRS 72.405~~] shall immediately notify the coroner, or his deputy[~~, or designee,~~] and *a law enforcement agency, which shall report to the scene within a reasonable time. The body* shall not *be removed* [~~remove nor permit the removal of the body~~] nor *shall* anything *be removed* therefrom until directed to do so by the coroner or his deputy *after the law enforcement agency is present or has failed, within a reasonable period of time, to respond* [~~or designee~~].

(2) The coroner[~~, or his deputy or designee,~~] shall take possession of any objects, medical specimens or articles which, in his opinion, may be helpful in establishing the cause of death, and he can make or cause to be made such tests and examinations of said objects as may be necessary or useful in determining the cause of death. In the event that a criminal prosecution arises, all such objects and articles together with reports of any examinations made upon them, shall be retained by the coroner until their production in evidence is required by the prosecuting authority, unless otherwise directed by written order of the court in which such prosecution is pending.

(3) Upon final disposition of each criminal prosecution under this section, the court shall by appropriate written order dispose of all objects retained under the provisions of this section.

(4) If the law enforcement officer at the scene has probable cause to believe that one of the conditions in subsection (1) of this section exist and the coroner refuses to act, the officer shall immediately notify the county or commonwealth attorney who may proceed pursuant to KRS 72.445.

(5) In all cases listed under Section 1 of this Act in which a licensed embalmer, funeral director or ambulance service is notified and is the first person at the scene of death other than private citizens, he shall notify the coroner and if the death appears to fall within the categories established in subsections (1) through (12) of Section 1 of this Act, he shall notify a local law enforcement agency.

Section 3. KRS 72.220 is amended to read as follows:

The department *of justice* [~~for human resources~~] shall, within budgetary limitation, provide medical assistance to coroners in investigating deaths; provide or contract for laboratory facilities for performing autopsies and investigations pursuant to KRS 72.210 to 72.275; provide for the keeping of reports of all investigations and examinations; and provide such other functions and duties as may be specified in KRS 72.210 to 72.275 or in the rules and regulations of the secretary *of justice* [~~for human resources~~].

Section 4. KRS 72.225 is amended to read as follows:

An advisory commission is hereby established to act in a general advisory capacity to the medical examiner services. The commissioner of state police, *the commissioner of training, the secretary of justice,* and the secretary for human resources shall be ex-officio members of the advisory commission. The secretary *of justice* [~~for human resources~~] shall appoint five (5) additional members for terms of four (4) years each or until their successors are appointed and qualify. Members of the advisory commission shall receive no compensation for their services but shall be repaid their actual expenses incurred in attending meetings.

Section 5. KRS 72.235 is amended to read as follows:

The [~~state~~] department *of justice* [~~for human resources~~] may establish or contract for physical facilities for the conduct of post-mortem and other necessary examinations. The department may employ, by contract or otherwise, pathologists, toxicologists and other ancillary, technical and administrative personnel to perform autopsies and such other pathological, chemical and other studies and examinations as may be deemed necessary. Such studies and examinations may be performed in another state if deemed to be in the best interest of the Commonwealth by the *chief* [~~director of the~~] medical examiner *or the certified coroner or deputy coroner* [~~section~~] and the reports thereof shall have the same validity and admissibility in evidence as those performed within this state when duly certified by the *chief* medical examiner [~~section~~] of the department *or by a certified coroner or deputy coroner.*

Section 6. KRS 72.240 is amended to read as follows:

(1) The department of justice may employ a board certified forensic pathologist as the chief medical examiner who shall administer the medical examiner program and one (1) associate chief medical examiner for the Commonwealth. The chief medical examiner and the associate chief medical examiner shall be affiliated with the state medical schools.

(2) The department *of justice* may employ physicians licensed to practice medicine in Kentucky as county or district medical examiners to carry out the provisions of KRS 72.210 to 72.275 within the counties or district to which they are assigned by the medical examiner section. The department may designate county *or district* health officers as county or district medical examiners and may authorize additional compensation therefor.

Section 7. KRS 72.255 is amended to read as follows:

The secretary *of justice* [~~for human resources~~] shall adopt rules and regulations to carry out the provisions of KRS *Chapter 72 including but not limited to the adoption of forms, fees for examinations, certification requirements, reports of medical examiners and certified coroners, and other costs incidental to the administration of this chapter* [~~72.210 to 72.275~~]. *The advisory commission provided for in KRS 72.225 shall review and may recommend new regulations or changes in the regulations provided for in this section.*

Section 8. KRS 72.260 is amended to read as follows:

(1) Reports of investigations, examinations and autopsies made pursuant to KRS 72.210 to 72.275 or transcripts or copies thereof certified by the director of the medical examiner section or by any county or district medical examiner *or certified coroner or deputy coroner* shall be admissible in evidence in any court of this state.

(2) The secretary *of justice* [~~for human resources~~] is authorized to establish a schedule of fees for issuing duplicate records of investigations, examinations, autopsies and other records; provided, however, that one (1) copy shall be provided free of charge to *the coroner and* either the [~~city,~~] county or commonwealth's attorney concerned.

Section 9. KRS 72.400 is amended to read as follows:

In enacting legislation relating to coroners, the general assembly recognizes that the coroner is an elected constitutional peace officer. The general assembly also recognizes that the ascertainment of the cause and manner of death in cases in which the coroner has jurisdiction is an essential governmental service. It is the intent of KRS 72.410 to 72.470 to encourage the coroner to participate in approved training sessions to improve his skills for the Commonwealth and to cooperate with the state medical examiner program administered by the department *of justice* [~~for human resources~~].

Section 10. KRS 72.405 is amended to read as follows:

As used in KRS 72.410 to 72.470, unless the context clearly indicates otherwise:

(1) "Coroner ordered autopsy" means *an autopsy* [~~a post-mortem examination~~] ordered by the coroner having jurisdiction and performed by a pathologist pursuant to such authorization in order to ascertain the cause and manner of death in a coroner's case. In the event the pathologist *deems it necessary* [~~suspects that death was due to poisoning, drugs, or alcohol~~], he may submit the appropriate specimen to a qualified chemist or toxicologist for analysis to assist him in ascertaining the cause of death in a coroner's case.

(2) "Coroner's case" means a case in which the coroner has reasonable cause for believing that the death of a human being within his county was caused by *any of the conditions set forth in Section 1 of this Act* [~~homicide, crime, violence, accident, suicide, poison, drowning, illegal abortion, or unusual circumstances. It also includes death in any prison, jail, or penal institution; death while in police custody; death where unattended by a physician for more than thirty-six (36) hours prior to death; and all deaths where the body is to be cremated~~].

(3) "Inquest" means an examination ordered by the coroner, or in his absence, ordered by a deputy coroner, into the causes and circumstances of any death which is a coroner's case by a jury of six (6) residents of the county impaneled and selected by the coroner to assist him in ascertaining the cause and manner of death.

(4) "Post mortem examination" means a physical examination of the body by a medical examiner or by a coroner or deputy coroner who has been certified by the department of justice and may include

an autopsy performed by a pathologist or other appropriate scientific tests administered to determine cause of death.

(5) "Certified coroner or certified deputy coroner" means a coroner or deputy coroner who meets the qualifications contained in KRS 72.415(2) and who has been certified by the department of justice to have successfully completed both the basic training course and annual inservice training course required by this Act. The secretary of justice may waive the requirement for basic training and certify a coroner during the eighteen (18) month period after the effective date of this Act if the advisory commission set forth in KRS 72.225 certifies to the secretary after a thorough review that the experience and knowledge of the specific coroner is such that he is qualified to be a certified coroner without taking the basic training.

Section 11. KRS 72.415 is amended to read as follows:

(1) For the purpose of enforcing the provisions of KRS 72.410 to 72.470, coroners and deputy coroners shall have the full power and authority of peace officers in this state, including the power of arrest and the authority to bear arms, and shall have the power and authority to administer oaths, to enter upon public or private premises for the purpose of making investigations, to seize evidence, to interrogate persons, to require the production of medical records, books, papers, documents, or other evidence, and to impound vehicles involved in vehicular deaths, employ special investigators and photographers, and to expend funds for the purpose of carrying out the provisions of KRS 72.410 to 72.470. The fiscal court or urban-county government shall pay all reasonable expenses incurred by the coroner in carrying out his responsibilities under the provisions of KRS 72.410 to 72.470.

(2) No person shall be eligible to hold the office of deputy coroner unless he holds a high school diploma or its recognized equivalent. Every deputy coroner shall be required as a condition of office to take during every calendar year he is in office the training course of at least eighteen (18) hours provided by the bureau of training or other courses approved by the department of justice after having completed the basic training course the first year of employment.

Section 12. KRS 72.992 is amended to read as follows:

(1) Any person who violates KRS 72.020(1) or who interferes with the coroner in the lawful performance of his duties shall be fined not less than two hundred fifty dollars ($250), or be confined in jail for not more than ninety (90) days, or both.

(2) Any coroner or deputy coroner who violates Section 1 of this Act or KRS 72.020 shall be guilty of wilful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(3) Any law enforcement officer who violates KRS 72.020 shall be guilty of wilful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

Section 13. KRS 64.185 is amended to read as follows:

(1) Coroners shall receive out of the county or urban-county treasury, whichever is appropriate, such monthly compensation as the fiscal court of each county shall fix, subject to the following minimums:

	County Population	Monthly Minimum Compensation
(a)	10,000 or less	$ 100
(b)	10,001 to 20,000	150
(c)	20,001 to 40,000	175
(d)	40,001 to 60,000	200
(e)	60,001 to 100,000	225
(f)	100,001 to 150,000	800
(g)	150,001 or more	1000

Provided, however, that coroners who hold a current certificate of continuing education, issued jointly by the bureau of training, department of justice, and the medical examiner program, department *of justice* [~~for human resources~~], shall be paid the following minimum monthly compensation set forth in this subsection in recognition of such training:

	County Population	Monthly Minimum Compensation
(a)	10,000 or less	$ 150
(b)	10,001 to 20,000	200
(c)	20,001 to 40,000	325
(d)	40,001 to 60,000	375
(e)	60,001 to 100,000	450
(f)	100,001 to 150,000	1000
(g)	150,001 or more	1200

(2) The initial course of continuing education required under subsection (1) of this section shall consist of *a basic training course prescribed by the department of justice* [~~thirty (30) hours of approved classroom training~~]. Annually thereafter the coroner shall attend and successfully complete at least *eighteen (18)* [~~twelve (12)~~] hours of approved training in order to be compensated in accordance with subsection (1) of this section.

(3) In the event a deputy coroner assumes the office of coroner after receiving the training stipulated in subsections (1) and (2) of this section, the deputy coroner shall be compensated in accordance with the compensation schedule set forth in subsection (1) of this section.

Section 14. KRS 72.250, Costs of examinations and autopsies, how paid, is repealed.

Committee Substitute to **SB 271** is as follows:

SB 271, AN ACT relating to death investigations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 72 IS CREATED TO READ AS FOLLOWS:

Coroners shall require a post mortem examination to be performed in the following circumstances:

(1) When the death of a human being appears to be caused by homicide or violence;

(2) When the death of a human being appears to be the result of suicide;

(3) When the death of a human being appears to be the result of the presence of drugs or poisons in the body;

(4) When the death of a human being appears to be the result of a motor vehicular accident and the operator of the motor vehicle left the scene of the accident or the body was found in or near a roadway or railroad;

(5) When the death of a human being occurs while the person is in a state mental institution or mental hospital when there is no previous medical history to explain the death, or while the person is in police custody, a jail or penal institution, except pursuant to a sentence of death;

(6) When the death of a human being occurs in a motor vehicle accident and when an external examination of the body does not reveal a lethal traumatic injury;

(7) When the death of a human being appears to be the result of a fire or explosion;

(8) When the death of a child appears to indicate child abuse prior to the death;

(9) When the manner of death appears to be other than natural;

(10) When human skeletonized remains are found;

(11) When post mortem decomposition of a human corpse exists to the extent that external examination of the corpse cannot rule out injury or where the circumstances of death cannot rule out the commission of a crime;

(12) When the death of a human being appears to be the result of drowning;

(13) When the death of an infant appears to be caused by sudden infant death syndrome in that the infant has no previous medical history to explain the death;

(14) When the death of a human being occurs as a result of an accident involving an airplane;

(15) When the death of a human being occurs under the age of forty (40) and there is no past medical history to explain the death;

(16) When the death of a human being occurs at the work site and there is no apparent cause of death such as an injury or when industrial toxics may have contributed to the cause of death; and

(17) When the body is to be cremated and there is no past medical history to explain the death.

Section 2. KRS 72.020 is amended to read as follows:

(1) Any person, hospital or institution, finding or having possession of the body of any person [~~slain, drowned or otherwise suddenly killed, or whose death occurred without the attendance of a physician thirty-six (36) hours prior to death, or~~] whose death occurred under any of the circumstances defined *in subsections (1) through (12) of Section 1 of this Act* [~~as a coroner's case under KRS 72.405~~] shall immediately notify the coroner, or his deputy[~~, or designee,~~] and *a law enforcement agency, which shall report to the scene within a reasonable time. No person shall remove the body or remove anything from the body until directed to do so by the coroner or his deputy, after the law enforcement agency is present or has failed, within a reasonable period of time, to respond* [~~shall not remove nor permit the removal of the body nor anything therefrom until directed to do so by the coroner or his deputy or designee~~].

(2) The coroner[~~, or his deputy or designee,~~] shall take possession of any objects, medical specimens or articles which, in his opinion, may be helpful in establishing the cause of death, and he can make or cause

to be made such tests and examinations of said objects as may be necessary or useful in determining the cause of death. In the event that a criminal prosecution arises, all such objects and articles together with reports of any examinations made upon them, shall be retained by the coroner until their production in evidence is required by the prosecuting authority, unless otherwise directed by written order of the court in which such prosecution is pending.

(3) Upon final disposition of each criminal prosecution under this section, the court shall by appropriate written order dispose of all objects retained under the provisions of this section.

(4) If the law enforcement officer at the scene has probable cause to believe that one of the conditions in subsection (1) of this section exists and the coroner refuses to require a post mortem examination, the officer shall immediately notify the county or commonwealth attorney who may proceed pursuant to KRS 72.445.

(5) In all cases listed under Section 1 of this Act in which a licensed embalmer, funeral director or ambulance service is notified and is the first person at the scene of death other than private citizens, he shall notify the coroner and if the death appears to fall within the categories established in subsections (1) through (12) of Section 1 of this Act, he shall notify a local law enforcement agency.

Section 3. KRS 72.220 is amended to read as follows:

The department *of justice* [~~for human resources~~] shall, within budgetary limitation, provide medical assistance to coroners in investigating deaths; provide or contract for laboratory facilities for performing autopsies and investigations pursuant to KRS 72.210 to 72.275; provide for the keeping of reports of all investigations and examinations; and provide such other functions and duties as may be specified in KRS 72.210 to 72.275 or in the rules and regulations of the secretary *of justice* [~~for human resources~~].

Section 4. KRS 72.225 is amended to read as follows:

An advisory commission is hereby established to act in a general advisory capacity to the medical examiner services. The commissioner of state police, *the commissioner of training, the secretary of justice,* and the secretary for human resources shall be ex-officio members of the advisory commission. The *legislative research commission* [~~secretary for human resources~~] shall appoint five (5) additional members for terms of four (4) years each or until their successors are appointed and qualify. Members of the advisory commission shall receive no compensation for their services but shall be repaid their actual expenses incurred in attending meetings.

Section 5. KRS 72.235 is amended to read as follows:

The [~~state~~] department *of justice* [~~for human resources~~] may establish or contract for physical facilities for the conduct of post-mortem and other necessary examinations. The department may employ, by contract or otherwise, pathologists, toxicologists and other ancillary, technical and administrative personnel to perform autopsies and such other pathological, chemical and other studies and examinations as may be deemed necessary. Such studies and examinations may be performed in another state if deemed to be in the best interest of the Commonwealth by the *chief* [~~director of the~~] medical examiner *or the certified coroner or deputy coroner* [~~section~~] and the reports thereof shall have the same validity and admissibility in evidence as those performed within this state when duly certified by the *chief* medical examiner [~~section~~] of the department *or by a certified coroner or deputy coroner.*

Section 6. KRS 72.240 is amended to read as follows:

(1) The department of justice may employ a board certified forensic pathologist as the chief medical examiner who shall administer the medical examiner program and one (1) associate chief medical examiner for the Commonwealth. The chief medical examiner and the associate chief medical examiner shall be affiliated with the state medical schools.

(2) The department *of justice* may employ physicians licensed to practice medicine in Kentucky as county or district medical examiners to carry out the provisions of KRS 72.210 to 72.275 within the counties or district to which they are assigned by the medical examiner section. The department may designate county *or district* health officers as county or district medical examiners and may authorize additional compensation therefor.

Section 7. KRS 72.255 is amended to read as follows:

The secretary *of justice* [~~for human resources~~] shall adopt rules and regulations to carry out the provisions of KRS *Chapter 72 including but not limited to the adoption of forms, fees for examinations, certification requirements, reports of medical examiners and certified coroners, and other costs incidental to the administration of this chapter* [~~72.210 to 72.275~~]. *The advisory commission provided for in KRS 72.225 shall review and may recommend new regulations or changes in the regulations provided for in this section.*

Section 8. KRS 72.260 is amended to read as follows:

(1) Reports of investigations, examinations and autopsies made pursuant to KRS 72.210 to 72.275 or transcripts or copies thereof certified by the director of the medical examiner section or by any county or district medical examiner *or certified coroner or deputy coroner* shall be admissible in evidence in any court of this state.

(2) The secretary *of justice* [~~for human resources~~] is authorized to establish a schedule of fees for issuing duplicate records of investigations, examinations, autopsies and other records; provided, however, that

one (1) copy shall be provided free of charge to *the coroner and* either the [~~city,~~] county or commonwealth's attorney concerned.

Section 9. KRS 72.400 is amended to read as follows:

In enacting legislation relating to coroners, the general assembly recognizes that the coroner is an elected constitutional peace officer. The general assembly also recognizes that the ascertainment of the cause and manner of death in cases in which the coroner has jurisdiction is an essential governmental service. It is the intent of KRS 72.410 to 72.470 to encourage the coroner to participate in approved training sessions to improve his skills for the Commonwealth and to cooperate with the state medical examiner program administered by the department *of justice* [~~for human resources~~].

Section 10. KRS 72.405 is amended to read as follows:

As used in KRS 72.410 to 72.470, unless the context clearly indicates otherwise:

(1) "Coroner ordered autopsy" means *an autopsy* [~~a post-mortem examination~~] ordered by the coroner having jurisdiction and performed by a pathologist pursuant to such authorization in order to ascertain the cause and manner of death in a coroner's case. In the event the pathologist *deems it necessary* [~~suspects that death was due to poisoning, drugs, or alcohol~~], he may submit the appropriate specimen to a qualified chemist or toxicologist for analysis to assist him in ascertaining the cause of death in a coroner's case.

(2) "Coroner's case" means a case in which the coroner has reasonable cause for believing that the death of a human being within his county was caused by *any of the conditions set forth in Section 1 of this Act* [~~homicide, crime, violence, accident, suicide, poison, drowning, illegal abortion, or unusual circumstances. It also includes death in any prison, jail, or penal institution; death while in police custody; death where unattended by a physician for more than thirty-six (36) hours prior to death; and all deaths where the body is to be cremated~~].

(3) "Inquest" means an examination ordered by the coroner, or in his absence, ordered by a deputy coroner, into the causes and circumstances of any death which is a coroner's case by a jury of six (6) residents of the county impaneled and selected by the coroner to assist him in ascertaining the cause and manner of death.

(4) "Post mortem examination" means a physical examination of the body by a medical examiner or by a coroner or deputy coroner who has been certified by the department of justice and may include an autopsy performed by a pathologist or other appropriate scientific tests administered to determine cause of death.

(5) "Certified coroner or certified deputy coroner" means a coroner or deputy coroner who has been certified by the department of justice to have successfully completed both the basic training course and annual inservice-training course required by this Act, except that a deputy coroner shall be certified without completion of training courses required by this Act if he is a licensed physician. The secretary of justice may waive the requirement for basic training and certify a coroner during the eighteen (18) month period after the effective date of this Act if the advisory commission set forth in KRS 72.225 certifies to the secretary after a thorough review that the experience and knowledge of the specific coroner is such that he is qualified to be a certified coroner without taking the basic training.

Section 11. KRS 72.415 is amended to read as follows:

(1) For the purpose of enforcing the provisions of KRS 72.410 to 72.470, coroners and deputy coroners shall have the full power and authority of peace officers in this state, including the power of arrest and the authority to bear arms, and shall have the power and authority to administer oaths, to enter upon public or private premises for the purpose of making investigations, to seize evidence, to interrogate persons, to require the production of medical records, books, papers, documents, or other evidence, and to impound vehicles involved in vehicular deaths, employ special investigators and photographers, and to expend funds for the purpose of carrying out the provisions of KRS 72.410 to 72.470. The fiscal court or urban-county government shall pay all reasonable expenses incurred by the coroner in carrying out his responsibilities under the provisions of KRS 72.410 to 72.470.

(2) No person shall be eligible to hold the office of deputy coroner unless he holds a high school diploma or its recognized equivalent. Every deputy coroner, other than a licensed physician, shall be required as a condition of office to take during every calendar year he is in office the training course of at least eighteen (18) hours provided by the bureau of training or other courses approved by the department of justice after having completed the basic training course the first year of employment.

Section 12. KRS 72.992 is amended to read as follows:

(1) Any person who violates KRS 72.020(1) or who interferes with the coroner in the lawful performance of his duties shall be fined not less than two hundred fifty dollars ($250), or be confined in jail for not more than ninety (90) days, or both.

(2) Any coroner or deputy coroner who violates Section 1 of this Act or KRS 72.020 shall be guilty of wilful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(3) Any law enforcement officer who violates KRS 72.020 shall be guilty of wilful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

Section 13. KRS 64.185 is amended to read as follows:

(1) Coroners shall receive out of the county or urban-county treasury, whichever is appropriate, such monthly compensation as the fiscal court of each county shall fix, subject to the following minimums:

	County Population	Monthly Minimum Compensation
(a)	10,000 or less	$ 100
(b)	10,001 to 20,000	150
(c)	20,001 to 40,000	175
(d)	40,001 to 60,000	200
(e)	60,001 to 100,000	225
(f)	100,001 to 150,000	800
(g)	150,001 or more	1000

Provided, however, that coroners who hold a current certificate of continuing education, issued jointly by the bureau of training, department of justice, and the medical examiner program, department *of justice* [~~for human resources~~], shall be paid the following minimum monthly compensation set forth in this subsection in recognition of such training:

	County Population	Monthly Minimum Compensation
(a)	10,000 or less	$ 150
(b)	10,001 to 20,000	200
(c)	20,001 to 40,000	325
(d)	40,001 to 60,000	375
(e)	60,001 to 100,000	450
(f)	100,001 to 150,000	1000
(g)	150,001 or more	1200

(2) The initial course of continuing education required under subsection (1) of this section shall consist of *a basic training course prescribed by the department of justice* [~~thirty (30) hours of approved classroom training~~]. Annually thereafter the coroner shall attend and successfully complete at least *eighteen (18)* [~~twelve (12)~~] hours of approved training in order to be compensated in accordance with subsection (1) of this section.

(3) In the event a deputy coroner assumes the office of coroner after receiving the training stipulated in subsections (1) and (2) of this section, the deputy coroner shall be compensated in accordance with the compensation schedule set forth in subsection (1) of this section.

Section 14. KRS 72.250, Costs of examinations and autopsies, how paid, is repealed.

The Committee on Education reported **HB 722, SB 119, HCR 39,** and **HCR 80** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 722, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

There is hereby created a mining and minerals trust fund, hereinafter referred to as the "fund."

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

All monies received by the mining and minerals trust fund shall be deposited in the state treasury in a separate account entitled "mining and minerals research."The treasurer of the Commonwealth shall, by the 10th day of each month, issue a check to the trustee of the mining and minerals trust fund in an amount equal to the balance of funds in the account at the close of business on the last business day of the preceding month. Idle funds in the account shall be invested, consistent with disbursement requirements, by the treasurer and investment earnings shall accrue to the state general fund.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Monies deposited in the mining and minerals trust fund in fiscal years 1982-83 and 1983-84 are appropriated for the purposes contained in Section 6 of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) There is established a mining and minerals trust fund at the University of Kentucky under the control and direction of a board of trustees. The board of trustees shall consist of three (3) members of the university board of trustees appointed by the chairman of that board; two (2) members appointed by the speaker of the house of representatives of the Kentucky general assembly; and two (2) members appointed by the president, pro tem of the senate of the Kentucky general assembly. For the first term, one (1) appointment each shall be for one (1) year. All other appointments and all subsequent appointments shall be for two (2) years.

(2) The members shall select from themselves one (1) member to serve as chairman. The members shall serve without pay but shall be entitled to reasonable expense reimbursement from the fund.

(3) The board may receive and accept for deposit in the fund bequests, gifts, grants and any appropriations by the general assembly and shall have the power to make decisions regarding disbursal of those funds consistent with the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Records shall be maintained for all receipts and disbursements from the fund and an annual audit of the transactions shall be conducted as part of the University of Kentucky annual audit at the end of each fiscal year. A quarterly financial report shall be prepared by the trustees and a copy of this report shall be submitted to the executive director of the legislative research commission and to the governor.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The fund shall be used to defray the costs of the Kentucky geological survey, mining and minerals research, mining and minerals related public service, and debt service to retire revenue bonds issued to defray the costs of constructing and equipping any mining and minerals building authorized by the general assembly for construction on the University of Kentucky campus. The eligible costs include research and public service expenditures in mining and engineering, coal geology, and administrative costs for the Kentucky Geological Survey. Idle funds shall be invested as provided by law for funds of the University of Kentucky. Investment earnings shall be deposited in the fund. Indirect costs shall not be paid to the University of Kentucky from the fund but payment of direct costs is not prohibited.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

A separate budget for the geological survey administration costs, mining and minerals research, mining and minerals related public service, and required debt service on a mining and minerals building shall be submitted in accordance with KRS Chapter 45.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The University of Kentucky may issue revenue bonds to provide for the construction of a building to house the school of mines and minerals.

SB 119, AN ACT relating to the Kentucky Higher Education Student Loan Corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164A.080 is amended to read as follows:

(1) The corporation is hereby authorized to provide for the issuance, at one (1) time or from time to time, of not exceeding *four hundred million dollars ($400,000,000)* [~~one hundred fifty million dollars ($150,000,000)~~] in bonds of the corporation to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of such bonds the corporation also is hereby authorized to provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the corporation. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the corporation at such price or prices and under such terms and conditions as may be determined by the corporation. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the corporation. Notes shall mature at such time or times not exceeding five (5) years from their date or

dates and bonds shall mature at such time or times not exceeding thirty (30) years from their date or dates, as may be determined by the corporation. The corporation shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state. In case any officer whose signatures or a facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The corporation may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the corporation authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as said corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter provided that such sale shall be approved by the corporation.

(2) The proceeds of any bonds or notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the corporation may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement hereinafter mentioned securing the same. The principal of and interest on any bonds issued by the corporation shall be payable solely and only from the proceeds derived by the corporation from insured student loans made and purchased from the proceeds of such bonds. No such bond proceeds may be expended for the purchase or making of any insured student loan unless such insured student loan is insured as to the principal and interest payments by the United States of America or the guarantee agency, and the guarantee agency has reinsured such insured student loan with the United States of America to the maximum extent permitted by the higher education act of 1965, as amended.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The corporation is hereby authorized to exercise all powers granted by this chapter in furtherance of programs of auxiliary loans to assist students pursuant to Section 428B of the federal higher education act of 1965, as amended, and health education assistance loans pursuant to the health professions educational assistance act of 1976 (P.L. 94-484), as amended. Any reference in this chapter, without limitation, to student loan or insured student loan shall be deemed to include a loan to parents authorized by Section 428B of the federal higher education act of 1965, as amended, and health education assistance loan.

Whereas, there are anticipated changes to federally legislated student loan programs, which, if enacted, will eliminate the eligibility for many Kentucky residents, and whereas, this legislation will provide an alternate means for these citizens of the Commonwealth to finance their education; now, therefore, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HCR 39, A CONCURRENT RESOLUTION directing a study of physical education in the public schools.

WHEREAS, all children in the public school system of Kentucky are required to participate in a physical education program; and

WHEREAS, a quality physical education program contributes to the physical, mental, and emotional growth of each student; and

WHEREAS, the physical education of Kentucky's children is an investment in the future;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is directed to conduct a study of the physical education programs in the public schools of Kentucky. The study shall focus on the quality of physical education training in the elementary, middle, and secondary schools, the impact of budget reductions during the 1980-81 and 1981-82 school years on physical education programs in the state, the quality of physical education teacher training programs, and the extent to which teachers without physical education training are conducting physical education programs. The study shall include recommendations for improving the physical education programs in the public schools.

Section 2. The study, along with any recommendations, shall be reported to the appropriate interim joint committees not later than July 1, 1983.

Section 3. Staff services to be utilized in completing this study are estimated to cost $14,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

HCR 80, A CONCURRENT RESOLUTION commemorating the Golden Anniversary of Paducah Junior College/Paducah Community College.

WHEREAS, July 27, 1932, is a significant date in the history of higher education in the Commonwealth because on this date, articles of incorporation were approved and placed on record at the State Capitol in Frankfort with the Secretary of State which enabled the establishment of Paducah Junior College; and

WHEREAS, a small group of farsighted Paducah citizens envisioned the opportunity for the establishment of an institution of higher learning, during perilous economic conditions, for the educational benefit of young adults in Paducah and the McCracken County area; and

WHEREAS, the Paducah Junior College has had a highly significant impact upon the western Kentucky region, and has attained national recognition through their diversity of curricula, delivery of services and distinguished graduates who have rendered immeasurable contributions to the Commonwealth and to the nation; and

WHEREAS, this institution, originally known as Paducah Junior College, and since July of 1968 known as Paducah Community College, as merged with the University of Kentucky Community College System, will on February 18, 1982, formally open the multiphased observance of their Golden Anniversary;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the General Assembly hails Paducah Junior College/Paducah Community College for their many achievements and valuable services rendered to the Commonwealth and to the nation.

Section 2. That the General Assembly commends the distinguished statesmen who have served as president of the college during its first half-century of existence and pays tribute to the present leadership consisting of the Director of the college, Vice-President of the University of Kentucky Community College System, President of the University of Kentucky, the Board of Trustees of Paducah Junior College and the Board of Trustees of the University of Kentucky.

Section 3. That the General Assembly extends its sincerest congratulations to all those connected with the Paducah Community College for its successful endeavors, and expresses its hopes that the contributions made and the services rendered by this exemplary institution during the upcoming fifty years will be as great as the accomplishments of the past fifty years.

The Committee on Transportation reported **HB 412, HB 546, HB 605, HB 616, HB 717** with Committee Amendments attached thereto, and **SB 266** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 412, AN ACT relating to roads.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 175 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a Kentucky road development finance board which shall be an independent agency of the Commonwealth reporting to the commissioner of the bureau of highways, but not attached to any administrative department.

(2) The board shall consist of seven (7) members. Four (4) members shall be appointed from the general assembly, two (2) members appointed by the president pro-tempore of the senate and two (2) members appointed by the speaker of the house of representatives. Legislative appointments shall be for a period of four (4) years. The governor shall appoint three (3) members, one (1) of whom shall be a representative of the highway construction interests, one (1) of whom shall be a representative of industrial or manufacturing interests and the final member shall be appointed at the discretion of the governor. The chairman shall

be elected by the board. Each member of the board may appoint in writing a substitute who shall have full voting and other powers as a member of the board. The letter by which the appointment is made shall be filed as a part of the records of the board.

(3) Initially, the governor shall appoint one (1) member for a term of two (2) years, one (1) member for three (3) years and one (1) member for four (4) years, respectively, from the date of their appointment and until their respective successors shall be duly appointed and qualified. The term of each appointed member shall be designated by the governor at the time of his appointment. Their successors shall be appointed for a term four (4) years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Any appointed member of the authority shall be eligible for reappointment.

(4) Prior to the issue of any bonds for road construction, the commissioner of highways shall notify the board members. Within twenty (20) days after notification, the board shall meet to consider the final conditions of the bond sale.

(5) Members of the board shall be entitled to compensation for their services as members in the amount of one hundred dollars ($100) for each meeting of the board and shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

Section 2. KRS 175.430 is amended to read as follows:

(1) The governor, the lieutenant governor, *one (1) member of the general assembly to be appointed by the president pro tempore of the senate and one (1) member of the general assembly to be appointed by the speaker of the house of representatives,* the commissioner of highways, the state highway engineer, and the attorney general, and their respective successors in office, shall be a body corporate and politic constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of "The Turnpike Authority of Kentucky," with perpetual succession and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this chapter, all of the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as such members.

(3) *Five (5)* [~~Three (3)~~] members of the authority shall constitute a quorum for the transaction of business, and in the absence of a quorum, one (1) or more members may adjourn from time to time until a quorum is convened. Within ninety (90) days from March 25, 1960, the authority shall convene and organize. The governor shall, by virtue of his office, be the chairman of the authority and the lieutenant governor shall in like manner be the vice-chairman. The authority shall elect a secretary and a treasurer who shall not be members of the authority, each of whom shall serve at the pleasure of the authority and shall receive such compensation as may be determined by the authority with approval of the commissioner of personnel to be paid from the budgeted funds of the bureau. The treasurer shall give bond to the authority and the Commonwealth conditioned upon his faithful accounting for all funds coming into his custody from time to time, the same to be in such amount as the authority may prescribe, with corporate surety given by a surety company qualified to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office in premises which shall be provided for that purpose by the bureau of highways without cost to the authority; and the secretary of the authority shall at all times maintain therein complete records of all of the authority's actions and proceedings, which shall constitute public records open to inspection at reasonable times.

Section 3. KRS 175.500 is amended to read as follows:

(1) The authority is hereby authorized to provide, at one (1) time or from time to time, for the issuance of its turnpike revenue bonds for the purpose of paying all or any part of the cost of any one or more turnpike projects undertaken pursuant to an agreement and lease. The principal of and the interest on such bonds shall be payable solely from the funds provided for such payment. The bonds of any issue may be in one or more series and any one or more such series may enjoy equal or subordinate status with respect to the pledge of funds from which they are payable, shall be dated, shall bear interest at such rate or rates not exceeding six and one-half per cent (6 ½%) per annum, shall mature at such time or times not exceeding forty (40) years from their date or dates, all as may be provided by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth. The bonds shall be signed by the facsimile signature of the chairman of the authority, and the seal of the authority or a facsimile thereof shall be affixed thereto and attested by the manual signature of the secretary of the authority, and any coupons attached thereto shall bear the facsimile signature of the chairman of the authority. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before

the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of this chapter shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of this chapter, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six and one-half per cent (6 ½%) per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the turnpike project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the authority shall have provided in the proceedings or trust indenture authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

(4) Prior to the sale of any bonds, the bureau shall submit to the Kentucky road development finance board, as established in Section 1 of this Act, for its concurrence and approval, a plan for the use of said road bonds and information concerning the final conditions of the sale, including any collateral agreements, interest rates, terms, premiums, call limitations or other information the board may deem appropriate [~~Bonds may be issued under the provisions of this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things, except as specifically required by this chapter~~].

Section 4. KRS 175.670 is amended to read as follows:

(1) In order to provide for the construction of resource recovery road projects, the authority is hereby authorized and empowered under and pursuant to the terms and provisions of a written agreement or agreements with the department to construct, finance, maintain, repair and operate resource recovery road projects, to lease such projects to the department, and to issue resource recovery road revenue bonds of the authority to finance such projects. In the planning, construction and financing of any resource recovery road project, the authority and the department shall, subject to the provisions of KRS 175.640 to 175.690, have and use all authority, procedures and rights provided by the provisions of KRS 175.410 to 175.990, inclusive.

(2) Prior to the sale of any bonds, the bureau shall submit to the Kentucky road development finance board, as established in Section 1 of this Act, for its concurrence and approval, a plan for the use of said road bonds and information concerning the final conditions of the sale, including any collateral agreements, interest rates, terms, premiums, call limitations or other information the board may deem appropriate.

Section 5. KRS 175.780 is amended to read as follows:

(1) In order to provide for the construction, reconstruction, and relocation of economic development road projects, the authority is hereby authorized and empowered, subject to the limitations contained in the biennial appropriations act, under and pursuant to the terms and provisions of a written agreement or agreements with the department, to construct, reconstruct, relocate, finance, and operate economic development road projects, to lease such projects to the department, and to issue economic development road revenue bonds or notes of the authority to finance such projects. In the planning, construction and financing of any economic development road project, the authority and the department shall, subject to the provisions of KRS 175.750 to 175.810, have and use all authority, procedures and rights provided by the provisions of KRS 175.410 to 175.690, inclusive.

(2) Prior to the sale of any bonds, the bureau shall submit to the Kentucky road development finance board, as established in Section 1 of this Act, for its concurrence and approval, a plan for the use of said road bonds and information concerning the final conditions of the sale, including any collateral

agreements, interest rates, terms, premiums, call limitations or other information the board may deem appropriate.

Section 6. KRS 177.450 is amended to read as follows:

(1) The bureau is hereby authorized to provide, at one time or from time to time, for the issuance of turnpike revenue bonds of the Commonwealth for the purpose of paying all or any part of the cost of any one or more turnpike projects. The principal of and the interest on such bonds shall be payable solely from the funds provided in KRS 177.390 to 177.570 for such payment. The bonds of any issue may be in one (1) or more series and any one (1) or more of such series may enjoy equal or subordinate status with respect to the pledge of funds from which they are payable, shall be dated, shall bear interest at such rate or rates not exceeding six percent (6%) per annum, shall mature at such time or times not exceeding forty (40) years from their date or dates, all as may be determined by the bureau, and may be made redeemable before maturity, at the option of the bureau, at such price or prices and under such terms and conditions as may be fixed by the bureau prior to the issuance of the bonds. The bureau shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth. The bonds shall be signed by the commissioner of highways, and the great seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the secretary of state by his facsimile signature, and any coupons attached thereto shall bear the facsimile signature of said commissioner of highways. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of KRS 177.390 to 177.570 shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth. The bonds may be issued in coupon or in registered form, or both, as the bureau may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The bureau may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of KRS 177.390 to 177.570, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six percent (6%) per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the turnpike project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the bureau may provide in the proceedings authorizing the issuance of such bonds or in the trust agreement mentioned in KRS 177.460 securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the bureau shall have provided in the proceedings or trust agreement authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the bureau may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The bureau may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

(4) Prior to the sale of any bonds, the bureau shall submit to the Kentucky road development finance board, as established in Section 1 of this Act, for its concurrence and approval, a plan for the use of said road bonds and information concerning the final conditions of the sale, including any collateral agreements, interest rates, terms, premiums, call limitations, or other information the board may deem appropriate [~~Bonds may be issued under the provisions of KRS 177.390 to 177.570 without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by KRS 177.390 to 177.570~~].

HB 546, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.410 is amended to read as follows:

(1) Every person except those exempted by KRS 186.420 and KRS 186.430 shall before operating a motor vehicle or moped upon a highway secure an operator's license as provided in this chapter.

(2) All original biennial, renewal and duplicate licenses for the operation of motor vehicles or mopeds shall be issued by the department of transportation. Applications for renewal licenses shall be made every two years during the birth month of the applicant. No such license shall be issued until the application therefor has been certified by the department.

(3) All color photo non-driver identification cards shall be valid for four (4) years from the date of insurance.

Section 2. KRS 186.412 is amended to read as follows:

(1) Every person seeking a license, or a renewal of a license for the operation of a motor vehicle, motorcycle, moped or a non-driver identification card shall apply in person to the circuit court clerk of the county in which the applicant resides and shall make application upon a form furnished by the department of transportation. The application form shall contain and shall require the full and legal name and signature, date of birth, social security number, sex, present resident address of the applicant and briefly describe the applicant. It shall also state whether the applicant has previously been licensed as an operator and if so, when and by what state or county, whether any license has ever been canceled, suspended, revoked or refused, and if so, the date of and reason for the cancellation, suspension, revocation or refusal, and such other information as may be required.

(2) The department of transportation shall issue a plastic laminated operator's license bearing thereon a color photograph of the licensee, which photograph shall be taken by the circuit clerk in such a manner that one exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413.

(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent operator's license.

(5) Every person seeking a color photo non-driver identification card may apply in person to the circuit clerk in the county in which he resides. *When applying, a person must bring a birth certificate and social security card. The social security card must contain his signature.* Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained on the form. *The clerk shall not issue a color photo non-driver identification card to any individual with a valid operator's license.*

(6) Military personnel and other licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo."

(7) The department shall provide on each license to operate motor vehicles or motorcycles issued a statement whereby the owner of such license may certify in the presence of two witnesses his willingness to make an anatomical gift under KRS 311.195.

Section 3. KRS 186.531 is amended to read as follows:

(1) The cost of operator's licenses, motorcycle operator's licenses and permits shall be as follows:

(a) The fee for any two (2) year original or renewal license, including motorcycle operator's license, shall be four dollars ($4.00), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7.00). The fee for any four (4) year original or renewal license, including motorcycle operator's license, shall be eight dollars ($8.00), except that the fee for a four (4) year combination motor vehicle-motorcycle operator's license shall be fourteen dollars ($14.00);

(b) The fee for any instruction permit shall be fifty (50) cents plus fifty (50) cents for preparing and acknowledging such application;

(c) The fee for a duplicate license shall be two dollars ($2.00); and

(d) The fee for a non-driver's identification card shall be *four dollars ($4.00)* [~~two dollars ($2.00)~~]. *The fee for a duplicate non-driver identification card shall be two dollars ($2.00).*

(2) The circuit clerk shall deposit in the state treasury to the credit of the general fund except as provided in subsection (f) fees pertaining to applications and license fees in the following manner:

(a) One dollar and seventy-five cents ($1.75) of any original and renewal license, except that the fee for a combination motor vehicle-motorcycle operator's license shall be three dollars ($3.00);

(b) Fifty (50) cents for issuance of any instruction permit;

(c) Fifty (50) cents for preparing and acknowledging an application for an instruction permit;

(d) One dollar and twenty-five cents ($1.25) for preparing and acknowledging an application for a duplicate;

(e) One dollar and twenty-five cents ($1.25) for each non-driver's identification card; and

(f) For each two (2) year original or renewal, duplicate license and non-driver's identification card, fifty (50) cents or for each four (4) year original or renewal license one dollar ($1.00) shall be credited to a special account within the state road fund and shall be used by the department of transportation exclusively for the purpose of issuing a photo license.

(3) The remainder of all fees, and other moneys collected by the circuit court clerk shall be forwarded to the state.

(4) The photo licenses shall be in use and the procedures prescribed by KRS 186.412 and 186.413 shall be fully implemented by January 1, 1975.

HB 605, AN ACT relating to traffic regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.330 is amended to read as follows:

(1) When two (2) vehicles approach or enter an intersection from different roadways at approximately the same time, the operator of the vehicle on the left shall yield the right-of-way to the vehicle on the right.

(2) The right-of-way rule declared in subsection (1) is modified at highways and through intersections and as otherwise stated in this chapter.

(3) Preferential right-of-way may be indicated by stop signs or yield signs. The state highway commissioner with reference to state highways and local authorities with reference to other highways under their jurisdiction may designate any intersection as a stop intersection or as a yield intersection and erect stop signs or yield signs at one (1) or more entrances to such intersections.

(4) Except when directed to proceed by a police officer, every operator of a vehicle approaching a stop sign shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or, if none, then at the point nearest the intersecting roadway where the operator has view of approaching traffic on the intersecting roadway before entering it. After having stopped the operator shall yield the right-of-way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time when such operator is moving across or within the intersection or junction of roadways.

(5) The operator of a vehicle approaching a yield sign shall in obedience to such sign slow down to a speed reasonable for the existing conditions and, if required for safety to stop, shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or, if none, then at the point nearest the intersecting roadway where the operator has a view of approaching traffic on the intersecting roadway before entering it. After slowing and stopping, the operator shall yield the right-of-way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time such operator is moving across or within the intersection or junction of roadways. Provided, however, that if such an operator is involved in a collision with a vehicle in the intersection or junction of roadways after driving past a yield sign without stopping, such collision shall be deemed prima facie evidence of his failure to yield right-of-way.

(6) The operator of a vehicle intending to turn shall do so as follows:

(a) Right turns - both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway;

(b) Left turns - the operator of a vehicle intending to turn left shall approach the turn in the extreme left-hand lane lawfully available to traffic moving in the direction of travel of such vehicle. Whenever practicable the left turn shall be made to the left of the center of the intersection and so as to leave the intersection or other location in the extreme right-hand lane lawfully available to traffic moving in the same direction as such vehicle on the roadway being entered.

(7) The department of transportation and local authorities in their respective jurisdictions may cause official traffic control devices to be placed and thereby require and direct that a different course from that specified in this section be traveled by turning vehicles and when such devices are so placed no operator shall turn a vehicle other than as directed and required by such devices.

(8) The operator of any vehicle shall not turn such vehicle so as to proceed in the opposite direction unless such movement can be made in safety without interfering with other traffic.

(9) The operator of a vehicle intending to turn to the left within an intersection or into an alley, private road or driveway shall yield the right-of-way to any vehicle approaching from the opposite direction which is within the intersection or so close thereto as to constitute an immediate hazard.

(10) *The operator of a vehicle intending to turn to the right from a roadway, an alley, or a private road or driveway onto a two lane roadway whose traffic volume averages more than five hundred (500) motor vehicles an hour in each direction, may proceed with his turn after stopping:*

(a) If roadway traffic has slowed or stopped to the extent that the turn can be made safely without creating a hazard or impeding the flow of traffic; and

(b) Upon receiving a visual indication from the vehicle operator directly to his left on such roadway that said turn may be undertaken.

(11) The operator of a vehicle about to enter or cross a roadway from any place other than another roadway shall yield the right-of-way to all vehicles approaching on the roadway to be entered or crossed.

HB 616, AN ACT relating to motor vehicle registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ 24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that

the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within *fifty (50)* [~~ten (10)~~] miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within *twenty-five (25)* [~~five (5)~~] miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

HB 717, AN ACT relating to motor vehicle operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.400 is amended to read as follows:

(1) The administration of the provisions of KRS 186.400 to 186.640 not specifically vested in [~~the department of transportation or~~] the circuit clerks shall be vested in the department of transportation. The department of transportation may prescribe regulations for the enforcement of KRS 186.400 to 186.640[~~, except that rules concerned with the functions and duties of the department of transportation provided in subsection (3) of this section shall be prescribed by the department of transportation~~]. The department of transportation also shall *prescribe and* enforce regulations governing the acts of the circuit clerks and motor vehicle operators under KRS 186.400 to 186.640 and require reports which it deems necessary.

(2) The department shall provide or cause to be provided to appropriate persons or officials an adequate supply of forms for the administration of KRS 186.400 to 186.640. The style of those forms and the method of their use shall be prescribed by the department and shall be adequate to protect the safety interests of the state. The department of transportation shall prescribe the method of financial control.

(3) *The circuit clerks shall deposit with the state treasurer all money collected for the issuance of operator's licenses pursuant to KRS 30A.120* [~~(a) The department of transportation shall collect all moneys due the state from the circuit clerks for operators' licenses issued, and shall deposit those moneys with the state treasurer.~~

~~(b) At least once each year the secretary of transportation shall cause a reconciliation to be made between the record of receipts by the department of transportation and the receipt of applications by the department of transportation~~].

Section 2. KRS 186.410 is amended to read as follows:

(1) Every person except those exempted by KRS 186.420 and KRS 186.430 shall before operating a motor vehicle or moped upon a highway secure an operator's license as provided in this chapter.

(2) All original [~~biennial~~], renewal and duplicate licenses for the operation of motor vehicles or mopeds shall be issued by the department of transportation. Applications for renewal licenses shall be made every two (2) *or four (4)* years during the birth month of the applicant. No such license shall be issued until the application therefor has been certified by the department.

Section 3. KRS 186.411 is amended to read as follows:

(1) Whenever a person with a seizure condition applies for a driver's license, or applies for a renewal of a driver's license, he shall be requested by the department to present to the division of driver licensing certification by a physician that his condition is controlled by drugs, a detailment of the drugs and dosages of same which the person takes, his own statement that he has been free of any seizures for ninety (90) days before the date of the application, and that he is taking the medication prescribed by his physician. The division shall upon receipt of such documentation issue him a letter of authorization to present to the circuit court clerk.

(2) Any person who has a seizure condition who cannot present the certification that his condition is controlled by drugs or a statement that he has been seizure-free for ninety (90) days shall be notified in writing by the department of his right to have a hearing on the matter of whether he is an unsafe driver as a result of having the seizure condition. Such notice shall be mailed by first class mail to the last known address of the person. Such hearing shall be automatically waived if not requested within twenty (20) days after the department mails notice. The hearing shall be scheduled as early as practical within not to exceed *thirty-five (35)* [~~twenty (20)~~] days after receipt of such request at a time and place designated by the department.

(3) Any physician shall not be subject to civil or criminal liability, absent a showing of bad faith, for providing any reports, records, examinations, opinions, or recommendations pursuant to this section.

Section 4. KRS 186.412 is amended to read as follows:

(1) Every person seeking a license, or a renewal of a license for the operation of a motor vehicle, motorcycle, moped or a non-driver identification card shall apply in person to the circuit court clerk of the county in which the applicant resides and shall make application upon a form furnished by the department of transportation. The application form shall contain and shall require the full and legal name and signature, date of birth, social security number, sex, present resident address of the applicant and briefly describe the applicant. It shall also state whether the applicant has previously been licensed as an operator and if so, when and by what state or county, whether any license has ever been canceled, suspended, revoked or refused, and if so, the date of and reason for the cancellation, suspension, revocation or refusal, and such other information as may be required.

(2) The department of transportation shall issue a plastic laminated operator's license bearing thereon a color photograph of the licensee, which photograph shall be taken by the circuit clerk in such a manner that one exposure will photograph the applicant and *a portion of* the application simultaneously, using the process determined under provisions of KRS 186.413.

(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent operator's license.

(5) Every person seeking a color photo non-driver identification card may apply in person to the circuit clerk in the county in which he resides. Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained on the form.

(6) Military personnel and other licensed drivers temporarily out-of-*state* [~~county~~] may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo *or signature.*" *The license may not be renewed unless it contains both the photograph and signature.*

(7) The department shall provide on each license to operate motor vehicles or motorcycles issued a statement whereby the owner of such license may certify in the presence of two witnesses his willingness to make an anatomical gift under KRS 311.195.

Section 5. KRS 186.440 is amended to read as follows:

An operator's license shall not be granted to:

(1) Any person under the age of sixteen (16).

(2) Any person whose operator's license has been suspended, during the period of suspension.

(3) Any person whose operator's license has been revoked, nor to any nonresident whose privilege of exemption under KRS 186.430 has been refused or discontinued, until the expiration of the period for which the license was revoked, or for which the privilege was refused or discontinued.

(4) An habitual drunkard or drug addict.

(5) Any applicant who has previously been adjudged insane or mentally retarded, and who has not at the time of application been restored to competency by judicial decree or release from a hospital for the insane or mentally retarded with a certificate of the superintendent that the applicant is competent. The state police shall determine by examination that the person is competent to operate a motor vehicle with safety to persons and property.

(6) Any person who in the opinion of the state police, after examination, is afflicted with such physical or mental disability as prevents him from exercising reasonable and ordinary control over a motor vehicle upon the highways.

(7) Any person requiring corrective lenses who uses a compound lens system which increases the power of the lenses while restricting the field of vision.

(8) Any person who is unable to understand highway warnings or direction signs in the English language.

(9) Any person required by KRS 186.480 to take an examination who has not successfully passed the examination.

(10) *Any person whose driving privilege has been withdrawn, cancelled, suspended or revoked by another jurisdiction until the person submits a letter of clearance from said jurisdiction unless he can show that withdrawal was as a result of speeding convictions* [~~Any person required by KRS Chapter 187 to deposit proof of financial responsibility, who has not deposited that proof~~].

(11) Any person who has not filed a correct and complete application signed in the presence of a person authorized to administer oaths.

(12) Any person whose operator's license has been suspended or revoked under the provisions of KRS Chapter 186 or 187 until the person has forwarded to the department a reinstatement fee of *fifteen dollars ($15)* [~~five dollars ($5.00)~~]. The fee shall be paid by certified check or money order payable to the state treasurer to be credited to a trust and agency fund to be used in defraying the costs and expenses of administering a driver improvement program for problem drivers.

Section 6. KRS 186.450 is amended to read as follows:

(1) Any person who, except for his lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a permanent operator's license, may make application for and obtain an instruction permit, to be issued by the circuit court clerk in the county of the applicant's residence, and such permit shall be valid for not more than *one hundred twenty (120)* [~~sixty (60)~~] days. The permit holder shall have this permit in his possession and be accompanied by a licensed operator occupying the seat beside the operator at all times while operating a motor vehicle upon the highway.

(2) Any person who, except for his lack of instruction in operating a motorcycle or moped, would otherwise be qualified to obtain a permanent motorcycle operator's license, may make application for and obtain an instruction permit, to be issued by the circuit court clerk in the county of the applicant's residence, and such permit shall be valid for not more than *one hundred twenty (120)* [~~sixty (60)~~] days. The permit holder shall have this permit in his possession at all times while operating a motorcycle upon the highway.

(3) The clerk, after determining that the applicant has fully complied with the laws governing the issuance of instruction permits shall, upon the request of the applicant, issue a permanent moped license. Any valid motor vehicle operator license may also be used in the operation of a moped.

Section 7. KRS 186.480 is amended to read as follows:

(1) The state police may examine every unlicensed applicant for an operator's license except as otherwise provided in this section. The examination shall be held in the county where the applicant resides unless the applicant is granted written permission by the circuit clerk of the county in which he resides to take the examination in another county, and the state police agree to arrange for the examination in the other county. The examination may include a test of the applicant's eyesight, his ability to read and understand highway signs regulating, warning and directing traffic, his knowledge of traffic laws and an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle. An applicant for a motorcycle operator's license shall be required to show his ability to operate a motorcycle, in addition to other requirements of this section.

(2) Any person whose operator's license is denied, suspended or revoked for cause shall apply for reinstatement at the termination of the period for which the license was denied, suspended or revoked by submitting to the examination *unless the person has taken and passed the examination within the preceding two (2) years.*

Section 8. KRS 186.490 is amended to read as follows:

The circuit clerk of each county shall:

(1) Comply with all rules and regulations issued by the department under KRS 186.400 relating to his duties;

(2) Act for the department for the purpose of issuing temporary operator's licenses and instruction permits;

(3) Administer the oath required by KRS 186.412 to the applicant without fee;

(4) Report and remit each Monday to the state all moneys collected during the preceding week. *Daily he shall* [~~and~~] remit a copy of all *license* applications taken by him *the preceding work day* [~~during the same period~~] to the department of transportation[~~. Upon failure of any clerk to report and remit therefor more than seven (7) days after the due date, he shall pay, in addition to the amount due, a penalty of ten percent (10%) of the amount due. Penalties collected under this section shall be paid into the state treasury as a part of the revenue collected under KRS 186.531~~];

(5) Keep adequate records of all moneys collected and remitted to the state; and

(6) Keep in his office at all times available to the department a record of all temporary licenses issued in his county, all denials, cancellations, suspensions, revocations or withdrawals of operator's licenses or motorcycle operator's licenses within his county and, to the extent that he is advised, of all other withdrawals of the privilege to operate a motor vehicle on the highways.

Section 9. KRS 186.520 is amended to read as follows:

(1) Any person whose license has been legitimately lost or destroyed, shall apply to the circuit court clerk in the county in which the most recent permanent license was obtained in order to make application for a duplicate license. He must furnish satisfactory proof by affidavit substantiating such loss or destruction when applying for such duplicate license.

(2) Any person whose chauffeur's license has been legitimately lost or destroyed, shall apply to the circuit court clerk in the county in which the most recent permanent license was obtained in order to make application for a duplicate license. He must furnish satisfactory proof by affidavit substantiating such loss or destruction when applying for such duplicate license. The fee for such duplicate shall be one dollar ($1.00)[~~, of which fifty cents (50¢) shall be retained by the circuit court clerk; the remaining fifty cents (50¢) shall be submitted to the department of transportation in compliance with KRS 186.400 through 186.490~~].

Section 10. KRS 186.531 is amended to read as follows:

(1) The cost of operator's licenses, motorcycle operator's licenses and permits shall be as follows:

(a) The fee for any two (2) year original or renewal license, including motorcycle operator's license, shall be four dollars ($4.00), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7.00). The fee for any four (4) year original or renewal license, including motorcycle operator's license, shall be eight dollars ($8.00), except that the fee for a four (4) year combination motor vehicle-motorcycle operator's license shall be fourteen dollars ($14.00);

(b) The fee for any instruction permit shall be *one dollar ($1)* [~~fifty (50) cents plus fifty (50) cents for preparing and acknowledging such application~~];

(c) The fee for a duplicate license shall be two dollars ($2.00); and

(d) The fee for a non-driver's identification card shall be two dollars ($2.00).

(2) The circuit clerk shall deposit in the state treasury to the credit of the general fund except as provided in *paragraph* [~~subsection~~] (f), *of this subsection, subsection (3) of this section and KRS 186.535 all* fees *derived from the issuance of operator's licenses, chauffeur's licenses, non-driver's identification cards, duplicate licenses, and instruction permits* [~~pertaining to applications and license fees~~] in the following manner:

(a) One dollar and seventy-five cents ($1.75) of any original and renewal license, except that the fee for a combination motor vehicle-motorcycle operator's license shall be three dollars ($3.00);

(b) Fifty (50) cents for issuance of any instruction permit;

(c) Fifty (50) cents for preparing and acknowledging an application for an instruction permit;

(d) One dollar and twenty-five cents ($1.25) for preparing and acknowledging an application for a duplicate;

(e) One dollar and twenty-five cents ($1.25) for each non-driver's identification card; and

(f) For each two (2) year original or renewal, duplicate license and non-driver's identification card, fifty (50) cents or for each four (4) year original or renewal license one dollar ($1.00) shall be credited to a special account within the state road fund and shall be used by the department of transportation exclusively for the purpose of issuing a photo license.

(3) The remainder of all fees, and other moneys collected by the circuit court clerk shall be forwarded to the state *for deposit in the state transportation fund.*

(4) The photo licenses shall be in use and the procedures prescribed by KRS 186.412 and 186.413 shall be fully implemented by January 1, 1975.

Section 11. KRS 186.560 is amended to read as follows:

(1) The department shall forthwith revoke the license of any operator of a motor vehicle upon receiving record of his conviction of any of the following offenses:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) *Operating a motor vehicle while under the influence of intoxicating beverages or any drug which may impair one's driving ability* [~~Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs~~].

(c) Perjury or the making of a false affidavit under KRS 186.400 to 186.640 or any law requiring the registration of motor vehicles or regulating their operation on highways.

(d) Any felony in the commission of which a motor vehicle is used.

(e) Conviction or forfeiture of bail upon three (3) charges of reckless driving within the preceding twelve (12) months.

(f) Conviction of driving a motor vehicle involved in an accident and failing to stop and disclose his identity at the scene of the accident.

(g) Conviction of theft of a motor vehicle or any of its parts, including the conviction of any person under the age of eighteen (18) years.

(2) If the person convicted of any offense named in subsection (1) is not the holder of a license, the department shall deny the person so convicted a license for the same period of time as though he had possessed a license which had been revoked. If through an inadvertence the defendant should be issued a license, the department shall forthwith cancel it.

(3) The department upon receiving a record of the conviction of any person *of* [~~upon~~] a charge of operating a motor vehicle while the license of that person is denied or suspended, or revoked, or while his privilege to operate a motor vehicle is withdrawn, shall immediately extend the period of the [~~first~~] denial, suspension, revocation or withdrawal [~~for an additional like~~] period *for six (6) months.*

(4) The revocation or denial of a license or the withdrawal of the privilege of operating a motor vehicle under *subsection (1)* [~~this section~~] shall be for a period of six (6) months, except that, if the same person has had one (1) previous conviction of any offense enumerated in subsection (1) of this section, regardless of whether the person's license was revoked because of the previous conviction, the period of the revocation, denial or withdrawal shall be one (1) year; if the person has had more than one (1) previous conviction of the offenses considered collectively as enumerated in subsection (1) of this section, regardless of whether the person's license was revoked for any previous conviction, the period of revocation, denial or withdrawal shall be for not less than two (2) years. Provided, however, the department, upon receipt of the written recommendation of the court in which any person has been convicted of violating KRS 189.520 (2), who has had no previous conviction of said offense, that said person's operator's license shall not be revoked, restricts said person's operator's license according to such terms and conditions as the secretary in his discretion may require, provided said person has enrolled in such driver's education program as the department shall require. In the event said person fails to satisfactorily complete said driver's education program or violates the restrictions on his operator's license, the department shall forthwith revoke said operator's license for a period of six (6) months. *The department may promulgate the necessary rules and regulations to provide for such program including the establishment of a fee.*

Section 12. KRS 186.565 is amended to read as follows:

(1) Any person who operates a motor vehicle in this state is deemed to have given his consent to a chemical test of his blood, breath, urine or saliva for the purpose of determining the alcoholic content of his blood, if arrested for any offense arising out of acts alleged to have been committed while the person was driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages. The test shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages. The law enforcement agency by which the officer is employed shall designate which of the aforesaid tests shall be administered, and provide necessary equipment. The state shall provide one (1) *breathalyzer* [~~breathalizer~~] and simulating unit for each county, paid for by state funds.

(2) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal is deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.

(3) If a person under arrest refuses upon the request of a law enforcement officer to submit to a chemical test designated by the law enforcement agency as provided in subsection (1) of this section, the requesting officer shall warn the person of the effect of his refusal to submit to the test. If the person again refuses, none shall be given, but the *bureau of vehicle regulation* [~~department of transportation~~], upon the receipt of a sworn report of the law enforcement officer that he had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, that the person refused to submit to the test upon the request of the law enforcement officer, and that the person again refused to submit to the test after the law enforcement officer warned him of the effect of his refusal, the *bureau* [~~department~~] shall immediately serve notice upon said person in writing by mailing the notice to the person by certified mail to the last known residence address of the person *contained within the official records of the bureau of vehicle regulation. The notice shall include a statement of the person's right and his opportunity to request a hearing* [~~or if the address is unknown, to the last known business address of the person to appear~~] before the *commissioner* [~~secretary~~] or his duly authorized agent and show cause why his license to operate a motor vehicle, or if said person is a nonresident his privilege to operate a motor vehicle within this state should not be revoked; or if the person is a resident without a license or permit to operate a motor vehicle in this state why that person should not be denied the issuance of a license or permit. The hearing *if requested in writing* shall be scheduled as early as practical but not *less* [~~sooner~~] than ten (10) days after the issuance of the notice and at a time and place designated by the *commissioner* [~~secretary~~]. *If the person does not file a request for hearing within twenty (20) days from the date of the notice to such person of his right and opportunity for a hearing, the person's operator's license shall be suspended forthwith for a period of not more than six (6) months. A*

person whose correct mailing address cannot be obtained from the official records of the bureau shall be deemed to have similarly waived his right to a hearing is filed with the bureau within thirty (30) days of the notice to such person.

(4) For the purpose of *any* [~~the~~] hearing[~~,~~] held [~~in accordance with the order to show cause~~], the *commissioner* [~~secretary~~] may appoint an examiner who shall have the power to preside at the hearing. *For* [~~Upon~~] the hearing the *commissioner* [~~secretary~~] or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers [~~and may require a reexamination of the licensee~~]. The scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, whether the person was placed under arrest, and whether he refused to submit to the test upon request of the officer. All testimony at the hearing shall be recorded. The *commissioner's final order* [~~secretary's ruling~~] shall include a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue. The *commissioner as soon as practical* [~~secretary within ten days~~] after the completion of the hearing shall order either: that the person's license to operate a motor vehicle, or, if the person is a nonresident, his privilege to operate a motor vehicle within this state be revoked for a period of not more than six (6) months or if the person is a resident without such license that there should be a denial of issuance of a license for a period of not more than six (6) months; or that no action be taken regarding said person's privilege to operate a motor vehicle. The *commissioner* [~~secretary~~] shall immediately notify the person of his ruling in writing by certified mail. If the person shall fail to attend the [~~show cause~~] hearing *scheduled at his request* without good cause shown, the *commissioner* [~~secretary~~] shall forthwith revoke the person's license or privilege to operate a motor vehicle or deny issuance of a permit or operator's license.

(5) If the revocation or determination that there should be a denial of issuance is sustained after the hearing, the person whose license or permit to drive or nonresident operating privilege has been revoked, or to whom a license or permit is denied, under the provisions of this section, may file a petition in the circuit court of the county in which the person resides or in the circuit court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the *commissioner* [~~secretary~~] within twenty (20) days after the final order has been issued. The perfected appeal suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected *if the license was surrendered during such revocation.* The *bureau of vehicle regulation* [~~department of transportation~~] shall file with its answer a copy of the *commissioner's final order* [~~secretary's ruling~~] and a transcript of evidence. The court's review is limited to whether the *commissioner's final order* [~~secretary's ruling~~] is supported by substantial evidence and whether his action is arbitrary or capricious. An appeal to the Court of Appeals suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected.

(6) When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked, the *bureau* [~~department~~] shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence *or* [~~and~~] of any state in which he has a license. The provisions of this section shall not apply to a person who refuses to submit to a chemical test of his blood, breath, urine or saliva if that person has enrolled in a driver's education program under the terms and conditions of KRS 186.560(4) and rules and regulations adopted thereunder.

(7) Any person who has had no previous conviction for violation of KRS 189.520 and who has refused to submit to a chemical test of his blood, breath, urine, or saliva may apply to a district court of competent jurisdiction for permission to enter a driver's education program as provided pursuant to KRS 186.560. If he is permitted by the court to enter the program he shall be subject to the same terms and conditions as any other person entering the program. The department shall suspend the license for six (6) months of any person participating in such program if he fails to satisfactorily complete such driver's education program.

Section 13. KRS 186.570 is amended to read as follows:

(1) The department or its agent designated in writing for that purpose may deny any person a license or may suspend the license of any person, or, in the case of a nonresident, withdraw the privilege of operating a motor vehicle in this state, subject to a hearing [~~and with or without receiving a record of conviction of that person of a crime,~~] whenever the department has reason to believe that:

(a) That person has committed any offenses for the conviction of which mandatory revocation of a license is provided by KRS 186.560.

(b) That person has, by reckless or unlawful operation of a motor vehicle, caused or contributed to an accident resulting in death or injury or serious property damage.

(c) That person is afflicted with mental or physical infirmities rendering it unsafe for him to drive upon the highways.

(d) That person is an habitually reckless or negligent driver of a motor vehicle or has committed a serious violation of the motor vehicle laws.

(e) That person has been issued a license without making proper application for it, as provided in KRS 186.412 and regulations properly issued pursuant to it.

(f) A person required by KRS 186.480 to take an examination has been issued a license without first having passed the examination.

(g) That person has been convicted of assault and battery resulting from the operation of a motor vehicle.

(h) That person has failed to appear pursuant to a citation or summons issued by a law enforcement officer of this Commonwealth or any other jurisdiction. *This section also applies to speeding citations received in other states in accordance with the provisions of the nonresidents violators compact as provided by KRS Chapter 188. However, this subsection shall not be construed to mean that points could be assessed for the speeding conviction.*

(2) The department or its agent designated in writing for that purpose shall provide any person subject to the suspension, revocation or withdrawal of their driving privileges, under provisions of this section, a hearing. Upon determining that such action is warranted, the department shall notify the person in writing by mailing the notice to the person by first class mail to the last known address of the person. Such hearing shall be automatically waived if not requested within twenty (20) days after the department mails the notice. The hearing shall be scheduled as early as practical within not to exceed *thirty (30)* [~~twenty (20)~~] days after receipt of such *written* request at a time and place designated by the department.

(3) The department may suspend the license of any resident upon receiving notice of the conviction of that person in another state of an offense there which if committed in this state would be grounds for the suspension or revocation of an operator's license. If a person so convicted is not the holder of a Kentucky license, the department shall deny him a license for the same period as if he had possessed a license and license had been suspended. The department may, upon receiving a record of the conviction in this state of a nonresident driver of a motor vehicle of any offense under the motor vehicle laws, forward a notice of that person's conviction to the proper officer in the state of which the person so convicted is a resident. The department of transportation is forbidden from suspending or revoking a motor vehicle or motorcycle operator's license or assessing points or any other form of penalty against the holder thereof for [~~speeding violations or~~] speeding convictions from other states. This subsection shall apply only to speeding *convictions* [~~violations~~] and shall not apply to other motor vehicle offenses, nor shall this section apply to any new applicant for a Kentucky motor vehicle operator's license.

(4) Each license which has been cancelled, suspended or revoked shall be surrendered to and retained by the department. At the end of the period of cancellation, suspension or revocation the license may be returned to the licensee. *In the event the license is not surrendered to the department, the department may direct any peace officer to secure possession thereof and return the same to the department. The department may prescribe regulations and establish a fee for the collection of cancelled, suspended or revoked licenses.*

Section 14. KRS 186.590 is amended to read as follows:

(1) Any negligence of a minor under the age of eighteen (18) who has been licensed upon an application signed as provided by KRS 186.470, when driving any motor vehicle upon a highway, shall be imputed to the person who signed the application of the minor for the license. That person shall be jointly and severally liable with the minor for any damages caused by the negligence.

(2) [~~If a minor deposits or there is deposited in his behalf, a proof of financial responsibility in form and amounts required by KRS chapter 187, the person who signed the application shall not, while such proof is maintained, be subject to the liability imposed by subsection (1). If the minor is the owner of a motor vehicle, the proof of financial responsibility shall be with respect to the operation of that motor vehicle; if not an owner, then with respect to the operation of any motor vehicle.~~

~~(3)~~] Every motor vehicle owner who causes or knowingly permits a minor under the age of eighteen (18) to drive the vehicle upon a highway, and any person who gives or furnishes a motor vehicle to the minor shall be jointly and severally liable with the minor for damage caused by the negligence of the minor in driving the vehicle.

Committee Amendment No. 1 to **HB 717** is as follows:

Amend printed copy of **HB 717**, on page 2, line 4, after "(3)" by adding the following language: "*Pursuant to KRS 30A.120*"

and on page 2, line 6, after the word "*licenses*" by deleting the following language: "*pursuant to KRS 30A.120*"

and on page 6, line 4, after the word "photo" by deleting the word "*or*" and inserting the word "*and*" in lieu thereof and on page 10, line 26, after the "(4)" by placing brackets around the following language: "Report and remit each Monday to the state all:

and on page 11, line 1, by placing brackets around the following language: "moneys collected during the preceding week"

and on page 11, line 1, after the word "week" by deleting the "."

and on page 17, lines 14-16, by deleting the lines in their entirety and by inserting the following language in lieu thereof: "*department shall establish a fee of twenty-five dollars ($25) upon the enrollment of any driver in the alcohol education program to defray the cost of administration of the alcohol driver education clinic.*"

and on page 24, lines 5-7, after the word "hearing" by removing the brackets from the following language: "and with or without receiving a record of conviction of that person of a crime,"

and on page 25, line 10, by deleting "*188*" and inserting "*186.860*" in lieu thereof

and on page 27, lines 2-7, after the word "licensee," by deleting the language in its entirety.

Committee Amendment No. 2 to **HB 717** is as follows:

Amend printed copy of **HB 717,** on page 28, line 7, by inserting the following language:

"Section 15. KRS 187.410 is amended to read as follows:

(1) Upon the receipt of a certified copy of a judgment *rendered within the Commonwealth,* the department shall forthwith suspend (except as provided in KRS 187.440) the license and registration and the nonresident's operating privilege of any person against whom such judgment was rendered.

(2) If the judgment creditor consents in writing, in such form as the department may prescribe, that the judgment debtor be allowed license and registration or nonresident's operating privilege, the same may be allowed by the department, in its discretion, for six (6) months from the date of such consent and thereafter until such consent is revoked in writing, notwithstanding default in the payment of such judgment, or of any instalments thereof prescribed in KRS 187.440."

SB 266, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.450 is amended to read as follows:

As used in KRS 138.460 and 138.470, unless the context requires otherwise:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail;

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, mopeds, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;

(3) "Moped" means *either* a *motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(4) Except as provided in subsection (5) of this section, "retail price" shall be determined as follows:

(a) For new motor vehicles "retail price" shall be 90% of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges;

(b) For used motor vehicles whose values appear in the automotive reference manual prescribed by the department of revenue, "retail price" shall be the value given in such reference manual;

(c) For the older used motor vehicles whose values no longer appear in the automotive reference manual, "retail price" shall be determined as follows:

Number of Years Removed From Manual	Retail Price
1	75% of value of same make vehicle last appearing in manual
2	50% of value of same make vehicle last appearing in manual
3	25% of value of same make vehicle last appearing in manual
All Others	10% of value of same make vehicle last appearing in manual;

(d) In the case of used motor vehicles previously registered in this state, which are sold in this state, a trade-in allowance equal to the "retail price" of the vehicle taken in trade shall be deducted in computing the "retail price" of the vehicle sold.

(5) Notwithstanding the provisions of subsection (4) of this section, provided the tax on gasoline, diesel, other special motor fuels and liquefied petroleum gas is increased as provided for in KRS 138.220(2), 138.565(3), 138.660(2) and 234.320(2), "retail price" shall be determined as follows:

(a) For new motor vehicles "retail price" shall be the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges;

(b) For used motor vehicles whose values appear in the automotive reference manual prescribed by the department of revenue, "retail price" shall be the value given in such reference manual;

(c) For the older used motor vehicles whose values no longer appear in the automotive reference manual, "retail price" shall be determined as follows:

Number of Years Removed From Manual	Retail Price
1	75% of value of same make vehicle last appearing in manual
2	50% of value of same make vehicle last appearing in manual
3	25% of value of same make vehicle last appearing in manual
All Others	10% of value of same make vehicle last appearing in manual

(d) In the case of used motor vehicles previously registered in this state, which are sold in this state, and new motor vehicles sold by Kentucky licensed dealers, a trade-in allowance equal to the "retail price" of the vehicle taken in trade shall be deducted in computing the "retail price" of the vehicle sold.

Section 2. KRS 186.010 is amended to read as follows:

(1) "Department" as used in KRS 186.400 to 186.640 means the department of transportation; except as specifically designated, "department" as used in KRS 186.020 to 186.270 means the department of transportation only with respect to motor vehicles, other than commercial vehicles; "department" as used in KRS 186.020 to 186.270 means the bureau of vehicle regulation when used with respect to commercial vehicles.

(2) "Highway" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for the purpose of vehicular traffic.

(3) "Manufacturer" means any person engaged in manufacturing motor vehicles who will, under normal conditions during the year, manufacture or assemble at least ten (10) new motor vehicles.

(4) "Motor vehicle," means in KRS 186.020 to 186.260, all vehicles, as defined in paragraph (a) of subsection (8) of this section, which are propelled otherwise than by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as defined in paragraph (b) of subsection (8) of this section, which are self-propelled. Motor vehicle shall not include a moped as defined in this section.

(5) "Moped" means *either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(6) "Operator" means any person in actual control of a motor vehicle upon a highway.

(7) "Owner" means a person who holds the legal title of a vehicle. If a vehicle is the subject of an agreement for the conditional sale or lease, with the right of purchase upon performance of the conditions

stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, the conditional vendee or lessee or mortgagor shall be deemed the owner.

(8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the transportation of persons or property over or upon the public highways of this commonwealth and all vehicles passing over or upon said highways, excepting road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails, and such vehicles as are propelled by electric power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the city limit of any municipality.

(b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human and animal power or used exclusively upon stationary rails or tracks, or which derives its power from overhead wires.

(9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640 apply to operator's licenses.

(10) "Dealer" means any person engaging in the business of buying or selling motor vehicles.

(11) "Commercial vehicles" means all motor vehicles that are required to be registered under the terms of KRS 186.050, but not including vehicles primarily designed for carrying passengers and having provisions for not more than nine (9) passengers (including driver), motorcycles, side car attachments and motor vehicles registered under KRS 186.060.

Section 3. KRS 187.290 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Department" means the department of transportation.

(2) "Highways" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for purpose of vehicular traffic.

(3) "Judgment" means any judgment which has become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance or use of any motor vehicle, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.

(4) "Motor vehicle" means every self-propelled vehicle which is designed for use upon a highway, including trailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, mopeds, and well drillers) and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails.

(5) "Moped" means *either* a *motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(6) "License" means any operator's license, temporary instruction permit or temporary license issued under the laws of this state pertaining to the licensing of operators.

(7) "Nonresident" means every person who is not a resident of this state.

(8) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor vehicle owned by him, in this state.

(9) "Operator" means every person who is in actual physical control of a motor vehicle.

(10) "Owner" means a person who holds the legal title of a motor vehicle, or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this chapter.

(11) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle in the amount of ten thousand dollars ($10,000) because of bodily injury to or death of one (1) person in any one (1) accident, and, subject to said limit for one (1) person, in the amount of twenty thousand dollars ($20,000) because of bodily injury to or death of two (2) or more

persons in any one (1) accident, and in the amount of five thousand dollars ($5,000) because of injury to or destruction of property of others in any one (1) accident.

(12) "Registration" means registration certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.

(13) "State" means any state, territory or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

Section 4. KRS 189.285 is amended to read as follows:

(1) No person shall operate a motorcycle on a highway:

(a) Except when that person is in possession of a valid motorcycle operator's license; and

(b) Unless that person uses an approved eye-protective device, in the manner prescribed by the secretary of the department of transportation, at all times such vehicle is in motion; and

(c) Unless the motorcycle is equipped with a rear-view mirror.

(2) No person shall operate or ride as a passenger on a motorcycle:

(a) Except on a seat permanently attached to that vehicle and specifically designed to carry the operator or passenger in a safe manner; and

(b) Except when using a footrest permanently attached to that vehicle and specifically designed to carry that person in a safe manner; and

(c) Unless that person wears approved protective headgear, in the manner prescribed by the secretary of the department of transportation, at all times that the vehicle is in motion.

(3) The secretary of the department of transportation shall by regulation fix minimum standards for approved protective headgear and for approved eye-protective devices, and prescribe the manner in which they shall be used. The secretary shall maintain and cause to be published a list of approved protective headgear and of approved eye-protective devices. The secretary may prescribe by regulation minimum standards for other protective devices and require the use of those devices.

(4) As used in this chapter and KRS chapter 186, "motorcycle" means any motor driven vehicle having a seat or saddle for the use of the operator and designed to travel on not more than three wheels in contact with the ground, but excluding tractors and vehicles on which the operator and passengers ride in an enclosed cab and excluding a moped as defined in this section.

(5) "Moped" means *either* a *motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

Section 5. KRS 190.010 is amended to read as follows:

As used in KRS 190.010 to 190.080 unless the context requires otherwise:

(1) "Motor vehicle dealer" means any person not excluded by subsection (2) of this section who:

(a) For commission, money or other thing of value, is engaged in the business of selling, exchanging, buying, offering or attempting to negotiate a sale or exchange of an interest in motor vehicles; or

(b) Who is engaged wholly or in part in the business of selling motor vehicles, including motor driven cycles, whether or not such motor vehicles are owned by such person, firm or corporation.

(2) The term "motor vehicle dealer" does not include:

(a) Receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the judgment or order of any court, and any bank, trust company or lending institution which is subject to state or federal regulation as such, with regard to its disposition of repossessed motor vehicles;

(b) Public officers while performing their official duties; or

(c) Employes of persons enumerated in paragraphs (a) and (b) of this subsection, when engaged in the specific performance of their duties as such employes.

(3) "Motor vehicle salesman" means any person who is employed as a salesman by a motor vehicle dealer to sell motor vehicles.

(4) The term "board" means the motor vehicle dealers board.

(5) The term "commissioner" means the commissioner of vehicle regulation.

(6) "Motor vehicle" means any motor driven vehicle required to be registered or licensed before being operated upon the highways. Motor vehicle shall not include moped as defined in this section.

(7) "Moped" means *either* a *motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(8) The term "bureau" means the bureau of vehicle regulation.

(9) "Licensor" means either the commissioner or the bureau or both.

(10) "Manufacturer" means any person, resident or nonresident who manufactures or assembles motor vehicles.

(11) "Distributor" or "wholesaler" means a person, resident or nonresident who sells or distributes motor vehicles to licensed motor vehicle dealers, or who maintains distributor representatives.

(12) "Factory branch" means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.

(13) "Distributor branch" means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

(14) "Factory representative" means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.

(15) "Distributor representative" means a representative similarly employed by a distributor, distributor branch or wholesaler.

(16) "Person" means a person, partnership, firm, corporation or association.

(17) The term "new motor vehicle" means a motor vehicle which, after its final assembly, is either in the possession of the manufacturer, factory branch or distributor, or an authorized dealer operating under a franchise with the manufacturer, factory branch or distributor, and the legal or equitable title to which has never been the subject of a sale or transfer other than to another dealer operating under a similar franchise with the same manufacturer, factory branch or distributor.

(18) The term "franchise" means any written contract, agreement, or license between a motor vehicle dealer and a manufacturer, factory branch or distributor of new motor vehicles by which the dealer is authorized to engage in the business of selling any specified make or makes of new motor vehicles.

Section 6. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him.

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means *either* a *motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals* [~~pedal bicycle with a helper motor~~] rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

The Committee on Educatin reported **HB 622,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 622, AN ACT relating to financial management of state supported institutions of higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

As used in this section unless the context otherwise requires:

(1) "Governing board" means the board of trustees or board of regents constituting the corporate bodies established by KRS 164.160 and 164.310 for the purpose of governing universities and colleges.

(2) "Institutions" means all public supported institutions of higher education in Kentucky recognized in KRS 164.100, 164.290, 164.293 or 164.810(1)(a).

(3) "Affiliated corporation" means a corporate entity which is not a public agency and which is organized pursuant to the provisions of KRS Chapter 273 over which an institution exercises effective control, by means of appointments to its board of directors, and which could not exist or effectively operate in the absence of substantial assistance from an institution.

(4) "Depository bank" means any bank so designated by the treasurer of the Commonwealth as appropriate for receiving public monies.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The secretary of the department of finance shall issue monthly warrants authorizing the treasurer of the Commonwealth of Kentucky to pay to the treasurer of each institution any amounts due by virtue of the annual state appropriations for that institution.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of the public institutions of higher education electing to perform in accordance with this Act regarding the acquisition of funds, accounting, purchasing, capital construction and affiliated corporations shall do so by regulation. The responsibility for this election is vested with the governing boards, any other statute to the contrary notwithstanding. The governing board may delegate these responsibilities by regulation to appropriate officials of the institution.

(2) Upon the effective date of this Act, the secretary of finance shall draw a warrant on the treasury, and the treasurer of the Commonwealth shall issue a check to the governing boards for those funds of the institutions on deposit in the state treasury where the governing board elects to perform financial management functions.

(3) The governing boards of institutions may elect to receive, deposit, collect, retain, invest, disburse, and account for all funds received or due from any source including, but not limited to, state and federal appropriations for the support or maintenance of the general operations or special purpose activities of such institutions. In the event of such election by the governing board:

(a) The treasurer of the university shall deposit on a timely basis all tuition fees, fees for room and board, incidental fees, contributions, gifts, donations, devises, state and federal appropriations, monies received from sales and services, admittance fees, and all other monies received from any source, in a depository bank or banks designated by the governing board.

(b) The governing board shall promulgate rules and regulations limiting disbursements to the amounts and for the purposes for which state appropriations have been made, or for which other monies have been received. All disbursements shall be recorded in a system of accounts as set forth in this Act. The treasurer of each institution shall prescribe forms to be used with the system of accounts, and no treasurer shall approve any disbursement document unless he determines that the disbursement is to satisfy a liability of the institution incurred for authorized purposes and that the disbursement is to be made from the unexpended balance of a proper allotment.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing board of each university making the election authorized in Section 3 of this Act shall as a condition of such election install an accrual basis accounting system conforming with generally accepted accounting principles and procedures established for colleges and universities by the national association of college and university business officers and the american institute of certified public accountants. The accounting system shall include but not be limited to the following fund structure:

(a) An operating fund group (unrestricted current funds), consisting of all monies not otherwise restricted, available for general operations, including state appropriations, federal funds, and unrestricted institutional receipts. Separate accounting fund groups may be established for auxiliary enterprises, athletics, hospitals, and other similar operations.

(b) A restricted fund group consisting of appropriations and other receipts restricted as to purpose which shall not be included in the operating fund.

(c) A loan fund group consisting of gifts, grants, and other funds provided and available for loans to students.

(d) An endowment fund group consisting of funds, the principal of which is not currently expendable.

(e) An agency fund group consisting of resources held by the institutions as custodian or fiscal agent for individual students, faculty, staff members and organizations.

(f) A plant fund group consisting of:

1. Unexpended plant funds to be used for the acquisition of long lived assets for institutional purposes (capital construction funds);

2. Funds for renewal, maintenance, and replacement of institutional buildings, equipment and other properties; and

3. Funds set aside for debt service charges and retirement of indebtedness on institutional plant.

(2) A record of each general fund appropriation shall be maintained so as to identify the institutional budgets to which such funds are allotted. Any uncommitted state general funds remaining after the close of business on the last day of the fiscal year shall lapse and be returned to the treasury of the Commonwealth. Each appropriation shall be used for the intended purpose and where questions of intent arise, the decision of the secretary of finance, based upon budget work papers, shall be final.

(3) A separate account showing sources of revenue and all expenditures shall be maintained for each capital construction project. At the end of each fiscal year, a report containing a listing of all capital construction projects, with sources of funds, expenditures and current status for each, shall be submitted to the capital construction and equipment purchase oversight committee.

(4) Within thirty (30) days after the effective date of this Act, the secretary of finance shall submit to the capital construction and equipment purchase oversight committee a complete record of all funds and project records transferred to institutions under the provisions of this Act.

(5) Within thirty (30) days after the effective date of this Act, the governing boards shall submit to the capital construction and equipment oversight committee a report containing a complete list of capital construction projects and unexpended plant funds in existence on the effective date of this Act. The source of funds, expenditures and current status of each project shall be shown.

(6) State general funds appropriated by the general assembly for capital construction projects and equipment purchases as defined in KRS 45.750 shall not lapse at the end of a fiscal year. They shall be carried forward until the project is completed. Any such unexpended funds remaining after acceptance of the project as complete shall be returned to the treasury of the Commonwealth.

(7) Long lived assets of the institution, including land, buildings, and capital equipment shall be accounted for in the plant fund group.

(8) The governing boards of each institution shall make an annual report of the financial activity to the council on higher education. The report shall meet the requirements of the council's system of uniform financial reporting for institutions of higher education.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board of any university making the election prescribed in Section 3 of this Act shall engage a qualified firm of certified public accountants experienced in the auditing of institutions to conduct an annual examination of the institution's financial statements in accordance with generally accepted auditing standards for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with this Act. The opinion, with the findings and recommendations, shall be forwarded to the governor, the secretary of the department of finance, the auditor of public accounts, the director of the legislative research commission, the executive director of the council on higher education, and members of the governing board.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board of any university making the election prescribed in Section 3 of this Act shall provide for the investment of surplus funds of the institution subject to the following limitations:

(1) Funds of the operating fund group shall be invested only in direct obligations of the United States, or the Commonwealth of Kentucky, or investment instruments collateralized by direct obligations of the United States or the Commonwealth of Kentucky.

(2) The board's investment objective shall be to obtain maximum yield consistent with security, liquidity, and the period of investment.

(3) Income earned from investment of the funds of each fund group specified in Section 4 of this Act shall be credited to the fund group from which such investment was made.

(4) The office of debt and investment management in the department of finance shall review investment policies of the institutions to insure maximum yields are being realized. A report on these findings shall be filed with the legislative research commission annually.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of each institution may elect to purchase interest in real property, contractual services, rentals of all types, supplies, materials, equipment, printing, and services, except that competitive bids may not be required for:

(a) Contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;

(b) Food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies;

(c) Instructional materials available from only one (1) source;

(d) Where rates are fixed by law or ordinance;

(e) Library books;

(f) Commercial items that are purchased for resale;

(g) Professional, technical, scientific or artistic services, but contracts in excess of ten thousand dollars ($10,000) shall be submitted in accordance with KRS 45.700 and 45.720;

(h) All other commodities, equipment and services which, in the reasonable discretion of the board, are available from only one (1) source; and

(i) Interests in real property.

(2) Nothing in this section shall deprive the boards from negotiating with vendors who maintain a general service administration price agreement with the United States of America or any agency thereof, provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between general service administration and the vendor affected.

(3) The governing board shall require the institution to take and maintain inventories of plant and equipment.

(4) The governing board shall establish procedures to identify items of common general usage among all departments to foster volume purchasing. It shall establish and enforce schedules for purchasing supplies, materials, and equipment.

(5) The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property.

(6) The governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the appropriate officer of the board. Unless the board deems it in the best interest of the institution to proceed otherwise, all such real or personal property shall be sold either by invitation of sealed bids or by public auction, provided, however, that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the department of finance or the department of transportation for such requirements of that department.

(7) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employe of any board of the institution, based upon a written application by the grantor or leasor approved by the board, that the employe has not either himself or through any other person influenced or attempted to influence either the board requesting the purchase of the property. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the secretary of state along with the other documents recorded pursuant to the provisions of KRS Chapter 56.

(8) For capital construction projects, the bidding may be on a total design-bid basis, a package system commonly referred to as "turnkey", or construction management, whichever in the judgment of the board offers the lowest real cost to the taxpayer. Bids shall be reviewed by the institution's engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.

(9) The governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost. To accomplish this the board may enter into cooperative agreements with other public or private institutions of education or health care.

(10) The governing board shall have control and supervision over all purchases of energy consuming equipment, supplies and related equipment purchased or acquired by the institution, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.

Section 8. KRS 164.410 is amended to read as follows:

(1) The governing board [~~Each board of regents~~] may[~~, on such terms as it regards best for the university or college,~~] purchase or lease land for the purpose of securing the erection of buildings, and may receive by any legal mode of conveyance, purchase and hold property of any description that the board deems necessary for the purposes of the school, and may build and construct improvements for such purposes and hold or sell the same. If a board of regents is unable to agree with the owner of such real estate as to its value, or to its purchase, it may proceed in its own name to condemn such real estate in the manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by purchase or condemnation shall be paid

for out of money appropriated to the *institution* [~~university or college. Each board of regents may, when it regards it best for the school, sell and convey any real estate, buildings or equipment owned by it, but the proceeds arising from the sale must be reinvested in other real estate, buildings and equipment for the use of the university or college~~].

(2) The governing board of each institution shall periodically review the assets of the institution and shall sell and convey those assets not necessary for implementing the institutional mission. Proceeds from the disposition shall be deposited in the unexpended plant fund account or in the fund for excellence authorized by this Act.

(3) Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board of each institution may provide for the management and administration of capital construction projects authorized for such institution including, but not limited to:

(1) The procurement of necessary consulting services;

(2) The supervision and control of the making of all contracts for building projects, renovation projects, repair projects, and supervision of same;

(3) The prescription of the amount and form of evidences of indebtedness submitted in connection with bids and contracts when not otherwise provided by law;

(4) The preparation of plans and specifications for any construction, alteration, or enlargement of buildings, structures, and other improvements;

(5) The advertisement of bids and the awarding of contracts in connection with such projects;

(6) The supervision and inspection of all related work;

(7) The approval of changes in plans or specifications; and

(8) The acceptance of such improvements when completed according to such plans and specifications.

SECTION 10. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards may make plans and specifications, advertise for bids, let contracts or incur any financing commitments, either in the way of a charge against institution funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction,.alteration, reconstruction, or major-repair of any building or other structure, or sewage disposal, water supply system or other utility system.

(2) Review of construction plans for conformance with the uniform state building code shall be conducted by the department of housing, buildings and construction. The board shall not approve any such project requiring its approval in any instance where it finds that the project is not needed, or that the proposed method of financing is not sound, or in cases where the project will exceed the amount of the funds available therefor, or the work contemplated will be insufficient to accomplish the purpose of the project, or that after providing for the ordinary recurring expenses of administration and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the treasury to promptly pay for the work or that the work is to be done by employes of the institution.

(3) Any capital construction project, the total cost of completion of which the board determines will exceed two hundred and fifty thousand dollars ($250,000), shall be contracted for on a competitive bid basis, and the execution of such contracts shall be approved and authorized by the board. When a capital construction project has been approved as provided in this section, in whole or in part, the board shall prepare the plans and specifications, advertise for bids, award the contracts, supervise the construction and handle the financial negotiations.

(4) A capital construction project, the total cost of completion of which will not exceed two hundred and fifty thousand dollars ($250,000), may be performed by the employes of the institution or by individuals hired specifically for the project. Necessary materials and supplies shall be procured in accordance with the standard purchasing procedures and policies of the board as defined in this Act.

SECTION 11. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In the procurement of architectural and engineering services, the governing board of the institution shall encourage firms engaged in the lawful practice of their profession to submit an annual statement of qualifications and performance data.

(2) When the need for architectural and engineering services arise for specific projects, the governing board shall evaluate current statements of qualifications and performance data on file with the Commonwealth, together with those that may be submitted by other firms and shall conduct discussions with no less than three (3) firms regarding anticipated design concepts and the relative utility of alternative methods of approach for furnishing the required services, and shall then select therefrom, in order of preference,

based upon criteria established and published, no less than three (3) of the firms deemed to be the most highly qualified to provide the services required.

(3) The governing board shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the governing board determines in writing to be fair and reasonable to the Commonwealth. In making this decision, the governing board shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the governing board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price it determines to be fair and reasonable to the institution, negotiations with that firm shall be formally terminated. The governing board shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the governing board shall formally terminate negotiations with that firm. The governing board shall then undertake negotiations with the third most qualified firm. Should the governing board be unable to negotiate a satisfactory contract with any of the selected firms, it shall select additional firms in order of their competence and qualification and the governing board shall continue negotiations in accordance with this section until an agreement is reached.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Capital construction projects shall be carried out as follows:

(1) The governing boards of the institutions may acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, equip, furnish, and operate any buildings, structures, improvements, or facilities, including any utilities, other related services and appurtenances and land required as the respective governing boards shall deem necessary for carrying on the educational, research or public service programs or discharging the statutory responsibilities of the universities and colleges and various divisions under the jurisdiction of the boards, or for the management, operation, or servicing of the universities and colleges.

(2) The governing boards may acquire real or personal property, by purchase, lease, sublease, condemnation, trade or exchange, gift, devise, or otherwise, and improve such property whenever in the judgment of the governing board it shall be necessary. The title to any real estate acquired under this section shall vest in the Commonwealth for the use and benefit of the appropriate institution.

Section 13. KRS 164.260 is amended to read as follows:

(1) The *governing boards* [~~board of trustees~~] may acquire additional lands or other property or material for the purpose of expanding the plant and extending its usefulness. When unable to contract with the owner of land or other property or material necessary for the purposes of the university, it may acquire the same by condemnation proceedings in the manner provided in the Eminent Domain Act of Kentucky.

(2) The governing boards shall be responsible for risk management at their institutions. In fulfilling this responsibility they may, notwithstanding the provisions of KRS 56.065 through 56.180, expend, or cause to be set aside in a trust fund established for the purpose, state money or other funds available to the institution for the purpose of insuring or self-insuring the buildings or other property of the university against loss by fire or extended coverage as defined by KRS 56.065(2). No premiums shall be certified or charged as provided in KRS 56.090 and 56.100 as to which such provisions have been made.

(3) Nothing contained in this section shall be construed to prohibit the participation of the university in any reinsurance contract entered into by the department of insurance pursuant to KRS 56.160.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The procedures and limitations related to capital construction and equipment purchases set forth in KRS 45.750 through 45.800 shall apply to the governing boards, except for funds set forth in KRS 45.770 and 45.780. The governing boards may establish a contingency fund and an emergency repair, maintenance and replacement fund in their plant fund records but shall not have access to those established by the department of finance for other state agencies where the election is made under Section 3 of this Act.

(2) Capital construction and equipment purchase projects established by the governing boards shall be limited to the scope authorized by the general assembly, and the total costs of each project shall not exceed the appropriation; except for emergency projects that may arise. In such instances, the governing boards may transfer funds from other projects or from operating funds; however each emergency project that is authorized by the board and sources of funds shall be promptly reported to the capital construction and equipment purchase oversight committee.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing boards may issue, under the provisions of KRS 162.340 to 162.380, consolidated educational building revenue bonds or housing bonds. The board of the institution shall submit to the state property and building commission a request for approval of the project before any financial commitment of any sort may be made in connection therewith, including employment of architects, engineers, fiscal agents *or attorneys. After approval by the commission, the governing board shall appoint fiscal agents, bond counsel and architects and engineers as may be required to make plans and specifications or financial arrangements for the project.*

Section 16. KRS 45.790 is amended to read as follows:

(1) There is created a permanent subcommittee of the legislative research commission to be known as the capital construction and equipment purchase oversight committee. The subcommittee shall be composed of seven (7) members and shall include members of the house of representatives and members of the senate. The subcommittee shall include members of the minority party as nearly proportional to their membership in the general assembly as mathematically possible. The legislative research commission shall appoint, from the membership of the general assembly, the members of the subcommittee for terms of two (2) years. The members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the vacancy occurs.

(2) The subcommittee shall meet monthly, and may meet more frequently when necessary, at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with KRS 7.090(4) and (5).

(4) The governing board shall include in its biennial budget request any request for capital construction projects as set forth in KRS Chapter 45. Whenever nonstate funds become available for capital construction between sessions of the general assembly the governing board may upon the approval of the council on higher education proceed with those projects which are to be completed without the use of state general funds or revenue bonds as set forth in KRS 56.870. The governing board shall promptly inform the subcommittee of any such project approved including the project scope and source of funds.

SECTION 17. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) An institution may organize and operate one (1) or more affiliated corporations to assist it in carrying out its programs, missions or other functions. A qualified firm of certified public accountants experienced in the auditing of colleges and universities and their affiliated corporations shall be engaged to conduct an annual examination of the corporation's financial statements in accord with generally accepted auditing standards for the purpose of rendering an independent opinion thereon and preparing a report of findings and recommendations concerning appropriate accounting controls and compliance with applicable statutes. The affiliated corporation shall adhere to the principles of accounting and purchasing used by the institution with which it is affiliated.

(2) The affiliated corporation shall provide the institution with an accounting at least quarterly, of all income and expenditures of said corporation in connection with contracts or grants with entities external to the institution and the corporation, for the conduct of research or other projects carried out, in whole or in part, through the use of institutional facilities or personnel.

(3) The affiliated corporation shall pay to, or for the benefit of, the instititution any and all funds received by it from any person, corporation, association or governmental agency external to the institution and the affiliated corporation as reimbursement for indirect expenses incurred by the institution in carrying out research or furnishing other goods or services, deducting from such payments only the expenses attributable to the procurement and performance of research grants and contracts and other contracts for the provision of such goods and services and such sums as may be essential to meet contractual obligations incurred at the request of the institution's governing board.

SECTION 18. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Nothing contained in this Act shall be construed to prevent an institution or an affiliated corporation from enforcing or carrying out the bona fide terms of any gift, grant, conveyance, devise or bequest from any private person, corporation, foundation, estate or other entity contributing funds or any other thing of value to the institution or affiliated corporation, nor shall same be construed to prevent an affiliated corporation from awarding athletic scholarships or other scholarship, fellowship, assistantship or similar grants, loans or awards to students, faculty or other employes of an institution, or from performing such other functions as may be assigned by the institution's governing board.

Section 19. KRS 164.270 is amended to read as follows:

Whenever any real estate held by the commonwealth for the use or benefit of the university or the Kentucky agricultural experiment station is, in the opinion of the board of trustees of the university, no longer necessary for the purpose of the University or more suitable for some other use consistent with the interests of the University, the board of trustees may, with the approval of the governor, sell or otherwise dispose of such real estate. [~~Such disposition shall be made in accordance with KRS 45.360.~~] This section does not authorize the sale of any real estate situated in the city of Lexington within the area bounded by Winslow

Street or Euclid Avenue on the north, Rose Street on the east, Graham Avenue, Graham Avenue extended, and Washington Avenue on the south, and Limestone Street on the west.

Section 20. KRS 164.340 is amended to read as follows:

The governing [~~Each~~] board [~~of regents~~] shall meet quarterly at the university or college or at such other place as is agreed upon. Upon written request of the president of the *institution* [~~university or college~~] or of two (2) members of the board, the chairman of the board shall call a special meeting at a place designated by him, and the board may at such special meeting transact any or all business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money *shall be made* nor any contract that requires *a* [~~an appropriation or~~] disbursement of money shall be *authorized* [~~made~~], and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

SECTION 21. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board is authorized to establish a "fund for excellence" trust fund into which gifts, grants, and special appropriation by the general assembly intended for such purpose may be deposited. The governing board may also deposit into this fund proceeds from the sale of surplus property. Investment income from monies in this fund shall be used only to enhance academic programs of the institutions.

SECTION 22. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

If any provisions of this Act or the application thereof to any persons or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 23. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In carrying out the provisions of this Act the governing boards shall be bound by the following statutes:

(a) KRS 56.610 to 56.820 regarding relocation assistance and lease of property for state use, and 56.870 to 56.874 regarding legislative approval of state fiscal obligations.

(b) The Kentucky Model Procurement Code as set forth in KRS Chapter 45A.

(c) KRS Chapter 56 as it relates to the approval of revenue bond issues that require approval by the state property and building commission.

(d) KRS 45.550 to 45.640 regarding equal employment opportunity.

(2) Any other provisions of KRS Chapters 41, 42, 45, 56, 57 to the contrary notwithstanding, this Act shall govern the financial management of higher education with the exception of KRS 45.990 and 45A.990 having to do with penalties which shall be applicable to violations of this Act.

(3) Any officer, agent or employe of any institution who wilfully fails or refuses to comply with any other provisions of this Act is subject to indictment in the appropriate circuit court and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than one thousand dollars ($1000.00) for each offense.

Section 24. KRS 164.830 is amended to read as follows:

(1) The board of trustees of the University of Louisville shall constitute a body corporate, with the usual corporate powers, and shall possess all the authorities, immunities, rights, privileges and franchises usually attaching to the governing bodies of Kentucky public higher educational institutions. Powers of the board shall include the following:

(a) Appointment of a president, all faculty members and other personnel and determination of the compensation, duties and official relations of each.

(b) Suspension or removal of the president, officers, faculty, agents or other personnel that it is authorized to appoint, except that no president, professor or teacher shall be removed except for incompetence, neglect of or refusal to perform his duty or for immoral conduct and that such removal shall be made in accordance with procedures established by law for state institutions.

(c) Election of a vice-chairman and such other officers as it deems wise, including the annual election of a five-member executive committee which shall have the powers that the board delegates to it and shall operate under such rules as the board shall establish under its authority to make such bylaws, rules and regulations consistent with this chapter.

(d) Receipt, retention and administration, on behalf of the university, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property.

(e) Requirement of such reports from the president, officers, faculty and employes as it deems necessary and proper from time to time.

(f) Granting degrees to graduates of the university, prescription of conditions upon which postgraduate honors may be obtained, and conferment of honorary degrees.

(2) The provisions of KRS 164.030, 164.200, 164.250, [~~164.280,~~] 164.390, 164.410, and 164.460 shall be applicable to the University of Louisville except where inconsistent with the purposes of KRS 164.810 to 164.870.

Section 25. KRS 164.280, treasurer of university to keep accounting, is repealed.

Committee Amendment No. 1 to **HB 622** is as follows:

Amend printed copy of **HB 622,** page 5, line 23, by inserting after the word "*arise*", the following language: "subject to the provisions of KRS 45.750 through 45.800 in the case of capital construction projects and major items of equipment as defined by these section,"; and

on page 6, line 23, by inserting after "*KRS 45.750,*" the words "*through KRS 45.800.*"; and

on page 7, line 1, by deleting "*returned to the treasury of the Commonwealth*" and, by inserting in lieu thereof, "*to a surplus account of the capital construction fund for investment until appropriated and allotted as provided in KRS 45.750 through KRS 45.800,*"; and

on page 18, line 17, by deleting the word "*The*" and by inserting in lieu thereof the following: "*Subject to the provisions of KRS 45.750 through 45.800, the* "; and

on page 20, by deleting lines 17 through 23 in their entirety and by inserting in lieu thereof the following: "*boards. The governing boards shall establish a contingency fund and an emergency repair, maintenance and replacement fund in their plant fund records. Transfers and use of these funds shall be governed by the provisions of KRS 45.770 and 45.780, as appropriated, except that the governing boards of each university shall perform the functions assigned to the department of finance in KRS 45.770 and 45.780.*".

on page 21, by deleting line 23 through 26 in their entirety; and

on page 21, line 23, by inserting:

"SECTION 10. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Whenever nonstate funds become available for capital construction when the general assembly is not in session, upon the approval of the council on higher education the governing board may expend such funds for projects which are to be completed without the use of state funds or revenue bonds as set forth in KRS 56.870. The governing board shall promptly inform the subcommittee of any such project approved including the project scope and sources of funds."; and

on page 22, by deleting lines 1 through 26 in their entirety; and

on page 23, by deleting lines 1 through 9 in their entirety.

Committee Amendment No. 2 to **HB 622** is as follows:

Amend printed copy of **HB 622,** page 2, line 8, by deleting the period and inserting a comma in lieu thereof and adding the following: "*or transfer the amount due electronically if electronic transfer is authorized by statute.*"

page 2, after line 26, by adding the following: "*The anticipated investment earnings on funds in the capital construction account, excluding revenue bonds, for the fiscal years 1982-83 and 1983-84 may be deducted from the respective institution's trust and agency funds on deposit prior to the issuance of a check or transfer to the governing boards.*"

page 9, lines 19 and 20, by deleting "*in excess of ten thousand dollars ($10,000)*"

page 10, after line 18, by adding the following: "*(6) Upon the approval of the secretary of finance, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. The amount paid shall not exceed the appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure.*"

and renumber all following subsections on pages 10 through 12 page 12, following line 22, by adding the following: "*(12) The governing board may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency must be fully explained, in writing, by the vice president responsible for business affairs and such explanation must be approved by the university president. The letter and approval shall be filed with the record of all such purchases. Where practical, standard specification shall be followed in making emergency purchases. A good faith effort shall be made to effect a competitively established price for emergency purchases.*"

page 16, lines 3, 4, and 5, by deleting the following: "*the total cost of completion of which the board determines will exceed two hundred and fifty thousand dollars ($250,000)*", and inserting the following in lieu thereof: "*except as provided in subsection 4*"

page 16, lines 15 and 16, by deleting "*two hundred and fifty thousand dollars ($250,000)*" and inserting "*two hundred thousand dollars ($200,000)*" in lieu thereof

page 21, line 22, by adding the following after the word "*project.*": "*The date of sale on such issues shall be coordinated with the department of finance to avoid a conflict with other state bond issues.*"

page 7, line 22, by adding the following after the word "*Act.*": "*The secretary of finance may prescribe the minimum scope of any such audit.*"

The Committee on State Government reported **HB 573, HB 668, HB 682** with Committee Amendments attached thereto, **HJR 36, HR 65, HJR 72, HR 78, SB 135, SB 168** with Committee Amendment attached thereto, **SB 175, SB 177,** and **SB 233** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 573, AN ACT relating to compensation of elective state officials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.480 is amended to read as follows:

(1) Effective, with respect to the offices of governor on December 11, 1979, and lieutenant governor on the fifth Tuesday following the regular November election in 1975 and with respect to the other offices named in this section, on the first Monday in January, 1976, the compensation of the following named officers, payable monthly out of the state treasury, shall be the sum per annum designated for the respective offices, as follows: governor, $45,000 until December 11, 1981, [~~and~~] then $50,000 *until December 13, 1983, and then sixty thousand dollars ($60,000) until January 1, 1985* [~~thereafter~~]; lieutenant governor, an amount sufficient, when added to any per diem received during sessions of the general assembly while serving in the capacity of president of the senate, to equal $27,900 per annum, plus any compensation received while acting in the place of the governor; attorney general, superintendent of public instruction, commissioner of agriculture, secretary of state, state treasurer, auditor of public accounts, and clerk of the Supreme Court of Kentucky elected in November, 1975, as clerk of the Court of Appeals, $27,900.

(2) In order to equate or adjust the compensation of the lieutenant governor, attorney general, superintendent of public instruction, commissioner of agriculture, secretary of state, state treasurer, auditor of public accounts, and clerk of the Supreme Court of Kentucky with the purchasing power of the 1949 dollar, the department of finance of Kentucky shall compute by the second Friday in February of every year, beginning in 1977, the maximum permissible compensation of the officials mentioned in subsection (2) hereof based precisely upon the consumer price index formula approved in Matthews v. Allen, Kentucky, 360 S.W. 2d 139 (1962). Thus the maximum permissible compensation effective for the entire year of 1977 and subsequent years will be the actual compensation to be paid said officials. The year of adjustment will be the particular full calendar year involved.

(3) It is the intention of the legislature that the constitutionally permissible adjustment of salaries of these officials be framed around equating current salaries with the purchasing power of the dollar in 1949 when section 246 of the Kentucky Constitution was amended. Section 246 of the Constitution, as amended, established a monetary level of $12,000 per annum for said officials. The formula merely effects an adjustment of the constitutional monetary level in terms of the current consumer price index.

(4) In order to adjust the compensation of the governor to reflect changes in the purchasing power of the dollar, the department of finance shall compute by the second Friday in February of every year, beginning in 1985, an adjusted salary of the governor by multiplying sixty thousand dollars ($60,000) by the

increase in the consumer price index during the period from January 1, 1984 to the beginning of the then-current calendar year. The actual compensation paid to the governor for the entire calendar year of 1985 and subsequent years shall be the adjusted salary.

HB 668, AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

Subject to the approval of the personnel board, the commissioner is authorized to install and implement by regulation work related incentive programs for state employes. Such programs may include, but not be limited to, an employe suggestion system whereby employes in the classified service may be recognized and rewarded for submitting suggestions that result in the improvement of state service or in the realization of financial savings by the state. Such programs may provide that when an employe suggestion has been adopted and resulted in a financial savings to the state, the employe who submitted the suggestion may be compensated for his service through a cash bonus in an amount to the lesser of ten percent (10%) of the amount saved or two thousand five hundred dollars ($2,500).

HB 682, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 117.015 to KRS 117.087 IS CREATED TO READ AS FOLLOWS:

The county board of elections shall not add to, delete or change the name of legislative and senatorial districts identified by name, number or ward, without legislative approval to redefine the district involved. This does not preclude changes of boundaries of established precincts to accommodate population shifts.

SECTION 2. A NEW SECTION OF KRS CHAPTER 118A IS CREATED TO READ AS FOLLOWS:

In cases where there is only one nominee for a judicial race and a vacancy occurs, the vacancy may be filled in the manner provided in KRS 118A.100, except that, if the vacancy occurs after certification to the county clerks by the secretary of state and the ballots have been printed, the candidates must, nevertheless, file with the secretary of state, be certified and must provide, at their own expense, ballot labels, which they shall deliver to the clerks of the counties involved.

Section 3. KRS 83A.170 is amended to read as follows:

(1) In any city which has under the provisions of KRS 83A.050 required nonpartisan city elections, or in any city of the second class operating under the city manager form of government pursuant to KRS 83A.150, no person shall be elected to city office except as provided in this section.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary election to be held at the time prescribed by law for primary elections generally. Nonpartisan primary elections shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, at least fifty-five (55) days before the primary election, file with the county clerk a petition signed by at least one percent (1%) of the registered voters in the city or twenty (20) voters, whichever is less. *Each voter may sign a slated petition up to the number of offices to be filled for a particular position or may sign individual petitions equal to the number of offices to be filled, if a voter signs petitions for more candidates than he is authorized then he shall be counted as a petitioner for the candidate whose petition is filed first. The petition shall be*[,] in the following form:

"We the undersigned, qualified voters of the City of ______________ request that the name of ______________ be placed on the city ballot as that of an applicant for nomination for the office of ______________ at the primary election to be held in our city on the first Tuesday after the fourth Monday in May, ________. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
		”

The petition shall be verified by the affidavit of some person as to the genuineness of signatures and addresses of the signers. No voter shall sign more than one (1) petition with reference to each applicant. If any voter signs more than one (1) petition of an applicant, the name of that voter shall not be counted as valid on any petition.

(4) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear upon the primary ballot.

(5) Subsection (4) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled. In that case, the applicants for nomination shall thereby be nominated and no primary election shall be held for that office.

(6) Names of applicants for each nomination shall be placed on the city ballot. Above names of applicants for nomination for all city offices shall be printed the words "vote for one", except above names of applicants for nominations for legislative body member in cities nominating legislative body members at-large shall be printed the words "vote for __________ (the number of legislative body members to be elected)." No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(7) Persons qualified to vote at a regular election are qualified to vote at a nonpartisan primary election and the law applicable to challenges made at a regular election is applicable to challenges made at a nonpartisan primary election.

(8) Votes shall be counted as provided in general election laws and the result shall be published as provided in KRS Chapter 424.

(9) *Up to twice the number of applicants who receive the highest number of votes for each office to be filled at the November election shall be nominated* [~~The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated~~].

(10) At the regular election following a nonpartisan primary election, the names of the successful nominees shall be placed upon the ballot.

(11) The nominee receiving the greater number of votes cast for each city office shall be elected.

(12) General election law prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

Section 4. KRS 116.045 is amended to read as follows:

(1) Any person may register as a voter during the period registration is open if he possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.

(2) Except during implementation of the initial statewide registration as provided in subsection (4) of KRS 116.025, the county board of elections shall cause all registration to be closed the thirty (30) days prior to, and the five (5) days following, any primary or general election, and the ten (10) days prior to any special election. No voter shall be registered or be permitted to change his registration during the period that the registration is closed; except that, registration shall be closed only in those precincts in which the election is held.

(3) In all counties the county clerk, when authorized by the county board, shall receive registration, transfers, or change of party affiliation at branch offices at any place in the county during those periods that the registration books are open. However, notice in the manner provided by KRS chapter 424 must be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice must be given to the county executive committee of each major political party in the county in which the branch registration is to be held.

(4) Any person may register to vote or may change his party affiliation in any of the following ways:

(a) In person;

(b) By mail; [~~or~~]

(c) *By means of the federal post card application, if the person is a resident of Kentucky and a member of the armed forces, or a dependent of members of the armed forces; or*

(d) By such other methods of registration, or reregistration, as approved by the state board of elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county board of elections, which may include door to door canvassing.

(5) Upon receipt of the form prescribed by the state board of elections, properly filled out and signed by the applicant, the county clerk shall register the applicant.

(6) Any individual or group shall have access to a reasonable number of voter registration forms in the county clerk's office. Such individual or group shall return these completed forms to the county clerk for official registration by the county clerk.

(7) The county clerk shall provide voter registration forms to each principal or assistant principal of every public high school, each area vocational school, and upon request, private schools, who shall designate

a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in registering with the party of their choice. The completed forms shall be returned to the county clerk, for official registration by the county clerk.

Section 5. KRS 116.075 is amended to read as follows:

(1) At the time of registration, the applicant shall fill in the form in duplicate and sign both copies. One (1) form shall be retained by the county clerk. The other form shall be sent to the state board of elections at biweekly intervals.

(2) Within three (3) days following the closing of registration prior to an election, the clerk shall report all new registrations made since his previous report was filed.

(3) In counties where the number of registrants is great enough to warrant the expense of renting or purchasing data processing equipment, such counties may submit the list of registrants on diskettes or other computer ready method in lieu of submitting the registration cards to the state board.

Section 6. KRS 117.035 is amended to read as follows:

(1) There shall be a county board of elections, which shall, at the direction and under the supervision of the state board of elections, administer the election laws and the registration and purgation of voters within the county.

(2) The board shall consist of the county clerk, sheriff and two members appointed by the state board of elections not later than *July 1* [~~May 1~~] following the election of persons to statewide office, for a term of four (4) years and until their successors are appointed; provided, that the first board shall be appointed within one (1) month following December 1, 1972, and serve until successors are appointed in April, 1976. Where from any cause the county clerk or sheriff cannot act, the two (2) appointed members shall appoint a commissioner to serve during the period the county clerk or sheriff is ineligible. If the two (2) appointed members cannot agree on a substitute to function in place of the clerk or sheriff who becomes disqualified, such fact shall be certified to the state board within five (5) days and the board shall immediately appoint a person to serve during the period that such officer is ineligible. Service on the board of elections shall be compatible with the holding of any other county office. The members shall be at least twenty-one (21) years of age, qualified voters in the county from which they are appointed, and not a candidate to be voted for at the elections. One (1) member shall be appointed from a list of five (5) names submitted by the county executive committee of each of the two political parties that polled the largest number of votes in the state at the last preceding election for presidential electors. *If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party, shall be the one (1) authorized to submit the lists.* Appointees may be removed by the state board of elections for cause. Where from any cause an appointee is temporarily unable to act, a temporary appointee shall be named by the state board of elections. A temporary appointee shall serve until such time as the original appointee notifies the state board of elections that he is able to resume his term. Vacancies and temporary vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy or temporary vacancy shall be of the same political party as his predecessor. Compensation of members shall be set by the fiscal court at not less than fifteen dollars ($15) per day for each day the board meets.

(3) A majority of the board shall constitute a quorum. The county clerk shall serve as chairman of the meetings and may vote. In case of a tie, the chairman may cast an additional vote. Records shall be kept of all proceedings, and the records shall be public and kept at the office of the county clerk.

(4) The board shall meet at least once a month and may meet more frequently if necessary. The board shall stay in session on election days to correct clerical errors and rule on questions regarding voter registration and are authorized to make to the election officers such certifications as may be necessary. On said days appeals may be made to a circuit judge.

(5) In counties containing cities of the first and second class, the board shall employ, on a bipartisan basis, a staff sufficient to carry out the duties assigned to the board.

Section 7. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 each year, appoint for each precinct in the county two (2) judges, one (1) clerk, and one (1) sheriff of election, who shall hold their offices for one (1) year and until their successors are appointed. They shall serve in all elections held in the county during the year. The county executive committees of the two (2) political parties having representation on the state board of elections may, on or before September 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct except that in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a less number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one authorized to submit the lists. If lists are submitted, one (1) judge at each voting place shall be selected from each list, and the sheriff shall be chosen from one (1) list and the clerk from the other. If no lists are submitted, the officers of the election

shall be so selected and appointed that one (1) of the judges at each voting place is of one (1) political party and the other judge of a different political party, and there shall be a like difference at each voting place between the sheriff and the clerk of election. The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems such action is necessary.

(2) An election officer shall be a qualified voter of the precinct, except that where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate *or the spouse, parent or child of a candidate who is* to be voted for at the election. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) If the county board of elections fails to appoint election officers, or if any such officer fails to attend for thirty (30) minutes after the time for commencing the election, or refuses to act, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(4) Each election officer shall be paid a minimum of fifteen dollars ($15.00) per day, and such an additional amount as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding said election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering election returns, the sheriff and the judge of the opposite political party from the sheriff shall receive in addition ten (10) cents for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

Section 8. KRS 117.055 is amended to read as follows:

(1) Each county shall be divided into election precincts. The political territory having the least area within the county's boundaries, with the exception of the total area of a city or town contained within such boundaries, shall be designated an election precinct. Each election precinct shall be composed of contiguous and, as nearly as practicable, compact areas having clearly definable boundaries and wholly contained within any larger district. The county board of elections shall have the authority to draw precinct lines so as to enable more than one precinct to vote at one location. The county board of elections shall review election precinct boundaries as often as necessary. Without exception they shall review the boundaries of all election precincts exceeding seven hundred (700) votes cast in the last regular election prior to each primary election. Consideration to the division of said election precincts should be based on the anticipated growth factor within the specified boundaries; however, the county board of elections shall not be prohibited from dividing election precincts in excess of seven hundred (700) votes cast in the last regular election or less than seven hundred (700) votes cast in the last regular election if they elect to do so. *Without exception the county board of elections shall review the boundaries of all election precincts not voting three hundred (300) votes in the last regular election prior to each succeeding primary and shall consolidate such precincts with adjoining precincts. Variations from this provision may be granted by the state board of elections upon a written request.* No election precinct shall be created, divided, abolished or consolidated or the boundaries therein changed later than fifty-five (55) days prior to any primary or general election to comply with the provisions of this section. The county board of elections shall designate the name or number and the boundaries of the election precincts. Each precinct shall contain, as nearly as practicable, an equal number of voters, based on the number of registered voters in the county. A map and listing of the exact election precinct boundaries shall be filed by the county board of elections with the state board of elections, and any changes in boundaries thereafter made shall also be filed with the state board of elections. A copy of this map indicating all precinct boundaries within the county shall be included in the election supplies of each precinct.

(2) If the county board of elections fails to perform the duty herein required, then the state board of elections or any citizen and voter of the county may apply to the circuit court of the county for a summary mandatory order requiring the board to perform this duty. Appeals may be taken to the Court of Appeals by either party.

(3) The county board of elections shall coordinate all precinct boundary changes with the affected school board, magesterial and municipal boundaries.

Section 9. KRS 117.075 is amended to read as follows:

(1) Any qualified voter who has not been declared incompetent by a court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the polls on election day may vote in the following manner. At least seven (7) days prior to the date of the election, he shall present to the clerk by mail *or in person* his verified statement that his inability to appear is due to age, infirmity, or illness, and a verified statement of a physician corroborating the voter's statement and indicating whether or not the condition is temporary, applying to the instant election only, or is expected to be a continuing one. If the condition is indicated as being continuing the voter need not file further statements of disability. For ensuing elections the voter may make reference to the statement previously filed when applying for a special ballot.

The county clerk shall maintain a file of all such statements. Upon receipt of the verified statement, the clerk shall immediately mail to the voter a special ballot, and envelopes, and the voter shall cast his vote in the same manner as provided for the absent voter in KRS 117.335.

(2) Special ballots cast by disabled persons shall be tabulated in the same manner as are special ballots cast by absent voters.

(3) In case of a medical emergency within seven (7) days or less of an election, a registered voter may apply for an absentee ballot. Such application shall state that the emergency condition occurred within the seven (7) day period and must be notarized. The application shall also have attached to it a doctor's or medical facility's statement verifying that the condition exists. The application form shall be restricted to the use of the voter, the voter's spouse, the voter's parents, or the voter's dependent children. Upon receipt of the application and vertification the county clerk shall issue an absentee ballot.

Section 10. KRS 117.075, 1980 Acts, Chapter 396, Section 61, effective July 1, 1982, is amended to read as follows:

(1) Any qualified voter who has not been declared mentally disabled by a court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the polls on election day may vote in the following manner. At least seven (7) days prior to the date of the election, he shall present to the clerk by mail *or in person an application containing* his verified statement that his inability to appear is due to age, infirmity, or illness, and a verified statement of a physician corroborating the voter's statement and indicating whether or not the condition is temporary, applying to the instant election only, or is expected to be a continuing one. If the condition is indicated as being continuing the voter need not file further statements of disability. For ensuing elections the voter may make reference to the statement previously filed when applying for a special ballot. The county clerk shall maintain a file of all such statements. Upon receipt of the verified statement, the clerk shall immediately mail to the voter a special ballot, and envelopes, and the voter shall cast his vote in the same manner as provided for the absent voter in KRS 117.087.

(2) In case of a medical emergency within seven (7) days or less of an election, a registered voter may apply for an absentee ballot in person or by mail. Such application shall state that the emergency condition occurred within the seven (7) day period and must be notarized. The application shall also have attached to it a doctor's or medical facility's statement verifying that the condition exists.

(3) The application form shall be in the form prescribed by the state board of elections and shall be obtained from the county clerk by the same manner prescribed in KRS 117.085.

(4)[~~(2)~~] Special ballots cast by disabled persons shall be tabulated in the same manner as are special ballots cast by absent voters.

Section 11. KRS 117.085 is amended to read as follows:

(1) Any qualified voter in any county who will be absent from the county on any election day or any person incarcerated in jail that has been charged for a crime but has yet to be convicted of the said crime may, at any time not less than seven (7) days before the election, make application in person or by mail to the county clerk for a special ballot, except that such application shall be restricted to the use of the voter, the voter's spouse, the voters's parents, or the voter's *dependent* children. The clerk shall type the name of the absent voter on the application form for that person's use and no other. The application form shall be in the form prescribed by the state board of elections, shall bear the seal of the county clerk and shall contain the following information: name, residential address, precinct, party affiliation, statement of absence on election day, statement of compliance with residency requirements for voting in said precinct, and the voter's mailing address for a special ballot. The form shall be verified and signed by the voter. A notice of the penalty provided in KRS 117.995(4) shall be printed on the application.

(2) *Residents of Kentucky, who are members of the armed forces, or dependents of members of the armed forces, may apply for an absentee ballot by means of the federal post card application. Such applications may be used to register, re-register and to apply for an absentee ballot. If the federal post card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to such application form upon receipt.*

(3) If the county clerk finds that the voter is properly registered as stated in his application, he shall immediately mail to the voter a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The outer envelope shall bear the words "Absent Voter's Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number and notice of penalty provided in KRS 117.995(4). The clerk shall type the voter's address and precinct number in the upper left hand corner of the absent voter's outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application until thirty (30) days after the election.

(4)[~~(3)~~] A list of persons to whom absent ballots are mailed shall be posted in the clerk's office, for public inspection, and a list shall be included in the supplies sent to each precinct on election day and shall be posted at the polling place throughout the voting hours on election day.

(5)[~~(4)~~] Any person who has been mailed an absent voter's ballot but who shall be in his voting precinct on election day may cancel his absent ballot and vote in person if he appears at the county clerk's office at least seven (7) days prior to election day and returns his absent ballot. Upon such personal appearance of the voter, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Cancelled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent *absentee* [~~absent~~] ballots, and the voter may vote in the precinct in which he is properly registered.

Section 12. KRS 117.087 is amended to read as follows:

(1) The challenge of an absent voter's ballot must be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the absentee ballots. The board may appoint a central absentee ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (⅔) of which shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day the board may meet at the clerk's office to count the absentee ballots. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of absent voters' ballots. The board shall open the boxes containing absent voters' ballots and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the absent voter. All unsigned absentee ballots shall be rejected automatically. The clerk shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order the clerk shall read aloud the name of the absent voter. If the vote of such voter is not rejected on a challenge then made as provided in subsection (4), the clerk shall then remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of an absent voter is read aloud by the clerk, the vote of such voter may be challenged *by any board member or by the written challenge provided in subsection (1) of this section* and the challenge thereto may be determined and the absentee vote accepted or rejected by the board as if the voter was present and voting in person, but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the absent voter is prima facie entitled to vote. If the vote of an absent voter is rejected pursuant to the challenge, the outer envelope shall not be opened, and the clerk shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken so as to redistribute the ballots in the box. The board shall then open the ballot box, remove the absentee ballots from the inner envelopes, [~~and~~] count *and record* the absentee *ballot votes* [~~ballots~~] on a form provided by the state board.

(6) The county clerk shall retain the ballots, detachable flaps and the outer envelopes for thirty (30) days, at which time they shall be burned by the county board of elections. If a contest or recount proceeding is instituted during said thirty-day period, the ballots shall not be burned but shall be disposed of as directed by the court in which such proceeding was instituted.

(7) The county board of elections shall make public the absentee ballot results after 6:00 p.m.

Section 13. KRS 117.165 is amended to read as follows:

(1) Upon completing the preparation of the machines in accordance with the provisions of KRS 117.155, and not later than three (3) days before the day of the election, the county clerk shall notify the members of the county board of elections that the machines are ready for use. The board shall thereupon convene at the office of the county clerk, not later than two (2) days before the day of the election, and examine the machines to determine whether the requirements of KRS 117.155 have been met. *The county board of elections shall publish notice, in accordance with KRS 424.130(1)(d), at least twenty-four (24) hours in advance of the time when the machines are to be examined by the board. The county board of elections shall publish notice, in accordance with KRS 424.130(1)(d) at least twenty-four (24) hours in advance of the time when the machines are to be examined by the board.* [~~Written notice at least twenty-four (24) hours in advance shall be given by the board to all candidates and political parties of the time when the machines are to be examined.~~] If found in proper order, the members of the county board of elections shall endorse their approval in the book in which the county clerk has entered the numbers of the machines opposite the numbers of the precincts. The clerk shall then deliver all of the keys to the machines to the county board of elections who shall give a receipt for the keys which shall contain identification of such keys. Not later than one (1) hour before the time set for the opening of the polls, the board shall deliver all election supplies including the precinct list, tabulation sheets and the key to the device covering the registering counters and such other keys as may be necessary for the operation of the machine in registering votes, to

the election officers of the precinct in which the machine is being used, who shall give the board receipt therefor containing identification of such keys. The master key and all other keys shall remain in the possession of the county board of elections.

(2) [~~Where a vacancy in a candidacy occasioned by the death, removal or resignation of a candidate before the election and after the ballot labels have been prepared is filled by the chairman of the state, district or county political organization as provided by law, the chairman shall furnish to the county clerk a sufficient number of printed ballot labels bearing the name of the new candidate to replace those bearing the name of the candidate with respect to which the vacancy has occurred. If such ballot labels are furnished to the clerk before the machines are delivered to the election precincts, the clerk shall cause them to be inserted in the proper ballot frames. If they are furnished after the machines have been delivered to the election precincts, the county clerk shall cause the ballot labels to be delivered to the clerk of each precinct, with directions as to insertion in the proper ballot frames.~~

~~(3)~~] Any candidate, and one representative of each political party having candidates, to be voted for at the election *and representatives of the news media*, may be present when the examination of the machines is made by the county board of elections.

Section 14. KRS 117.185 is amended to read as follows:

(1) Not less than four (4) days before the day of any election, the county board of elections shall call together the officers of election of each precinct and instruct them *on the duties and responsibilities of conducting elections* [~~in the use of the voting machines~~]. No election officer, upon being notified to appear for instruction, shall fail [~~without just cause~~] so to do. If any officer does so fail to appear, the board *shall immediately appoint some other qualified person who shall appear for instruction and serve in the upcoming election. Such person shall be appointed* [~~may appoint and instruct some other qualified person,~~] from the same list from which the defaulting officer was appointed, to act in place of the defaulting officer.

(2) Compensation in the minimum amount of *ten dollars ($10)* [~~five dollars ($5)~~] shall be paid by the county to the election officers for attending the instruction session.

Section 15. KRS 117.235 is amended to read as follows:

(1) No person, other than the election officers and challengers, shall be permitted within the voting room while the vote is being polled, except for the purpose of voting or except by authority of the election officers to keep order and enforce the law.

(2) No officer of election shall do any electioneering on election day.

(3) No person shall do any electioneering at the polling place on election day unless the fiscal court or legislative body of an urban-county government specifically authorizes by ordinance on a county wide basis electioneering and establishes the distance from the polling place where such electioneering may be permitted, but in no case shall electioneering be allowed within a fifty (50) foot perimeter of the voting machine. Electioneering shall include the displaying of signs, the distribution of campaign literature, cards or handbills, the soliciting of signatures to any petition, or the solicitation of votes for or against any candidate or question on the ballot in any manner.

(4) No voter shall be permitted to converse with others while in the voting room concerning their support or nonsupport of any candidate, party or issue to be voted on, except as provided in KRS 117.255.

(5) The election sheriff, under the supervision of the precinct election judges, shall maintain law and order within a fifty (50) foot perimeter of the voting machine. Assistance may be requested of any law enforcement officer.

Section 16. KRS 117.245 is amended to read as follows:

(1) The fact that a person is registered constitutes only prima facie evidence of his right to vote and does not prevent the officers of any election from refusing to allow him to vote for cause.

(2) When the officers of an election disagree as to the qualifications of a voter or if his right to vote is disputed by a challenger, the voter shall sign a written oath as to his qualifications before he is permitted to vote. The oath shall be in such form as prescribed by the state board of elections and twenty (20) printed copies shall be included in the election supplies of each precinct.

(3) The subscribed oaths shall be returned to the county clerk who shall deliver them to the *commonwealth's attorney* [~~grand jury~~].

(4) The commonwealth's attorney and county attorney shall investigate each of the oaths and cause to be summoned before the grand jury the witnesses they or either of them, deem proper, and the grand jury shall make a thorough investigation of all votes so cast, and return indictments against all persons illegally voting. The foreman of the grand jury shall return to the county clerk all of the oaths upon which no indictments are found. The clerk shall safely keep them as a part of the records of his office, and shall produce any or all of them, when required, to any subsequent grand jury.

Section 17. KRS 117.255 is amended to read as follows:

(1) *Prior to entering the polling booth* the voter shall be instructed by the officers of election, with the aid of the instruction cards and the mechanical model, in the use of the machine, if the voter so requests.

(2) No voter shall be permitted to receive any assistance in voting at the polls unless he makes and signs an oath that, by reason of inability to read English, or [~~by reason of blindness or~~] other physical disability he is unable to vote without assistance. Upon making and filing with the judges such oath, the voter shall retire to the voting machine, with the judges, and one of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. The disabled person applying to vote may, if he prefers, be assisted by *his spouse, parent or child, who is not an election officer or candidate* [~~a person of his own choice who is not an election officer~~]. The clerk shall swear the person accompanying the disabled [~~or blind~~] voter to operate the voting machine in accordance with the directions of the disabled [~~or blind~~] voter, and the disabled [~~or blind~~] voter and the person sworn shall then enter the voting booth and the one so sworn shall operate the machine for the disabled [~~or blind~~] voter as he directs. No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(3) No voter shall be permitted to occupy the voting machine more than two (2) minutes if other voters are waiting to use it.

(4) In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons for whom the voter is qualified to vote.

(5) If the machine is so constructed as to require adjustment after one (1) person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

(6) The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

(7) In elections for president and vice president, if a voter is eligible to vote only for the office of president and vice president a judge of the election shall adjust the machine so that the voter will only be able to vote for president and vice president.

(8) If supplemental paper ballots have been approved, as provided in KRS 118.215, the voter shall vote his ballot in privacy in a booth provided for that purpose by the county clerk. If the voter spoils his ballot, he shall return the spoiled paper ballot to an election official who shall stamp the ballot "Spoiled", initial and place the spoiled ballot in an envelope provided for that purpose. The voter shall then be issued a second supplemental paper ballot. Upon completion of voting, the voter shall remove the numbered stub from the ballot, hand the stub to an election official and deposit the voted ballot in the locked ballot box in the presence of precinct election officials.

Section 18. KRS 117.265 is amended to read as follows:

(1) A voter may, at any general or special election, cast a write-in vote for any person whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. An absentee voter may write-in a vote for any person whose name does not appear upon the special ballot, by writing the name of his choice under the office.

(2) Two (2) election officers of opposing parties shall upon the request of any voter instruct such voter on how to cast a write-in vote.

(3) This provision does not apply to elections for president and vice-president of the United States where the vote is cast for presidential electors rather than the candidate, nor does it apply to elections for municipal offices conducted pursuant to KRS 83A.170.

Section 19. KRS 117.305 is amended to read as follows:

The canvass and returns provided for in KRS 117.275 shall constitute the official returns of the precinct, unless within ninety-six (96) hours after the close of the polls a candidate *makes a written* [~~shall in writing~~] request *to* the county board of elections to check and recanvass the voting machines *and absentee ballot* of any precinct or any number of precincts *involving his race. After this time period has elapsed* [~~When such a request has been made~~] the election commission shall immediately assemble and recheck and recanvass each machine and make a proper return thereof to the county clerk, in which event the canvass and return shall become the official returns for the election. In making the recanvass the board shall make a record of the number of the seal upon the voting machine and without unlocking the machine against voting, recanvass the vote cast thereon. If, upon a recanvass, it is found that the original canvass of the returns has been correctly made from the machine, and that there still remains a discrepancy unaccounted for *this discrepancy shall be noted* [~~, the board with the assistance of the county clerk, shall unlock the voting and counting mechanism of the machine, and shall proceed thoroughly to examine and test the machine to determine and reveal the true cause, if any, of the discrepancy in returns of the machine~~]. *The registering counter of each candidate who requested a recanvass and the counter of the candidate's opponent* [~~Each registering counter~~] shall be reset at zero before it is tested, after which it shall be operated at least one hundred (100) times. [~~After the completion of the examination and test, the county clerk shall then and there prepare a~~

~~statement, in writing, giving in detail the result of the examination and test and statement which shall be witnessed by the persons present, and shall be filed with the board.~~] If, upon recanvass, it appears that the original canvass of the returns by the election officers was incorrect, the returns and all papers being prepared by the board shall be corrected accordingly, except that there shall be no change in the vote of any candidate from that originally certified unless such candidate was actually notified. At the recanvass, each political party represented on the board may appoint a representative there to be its governing body, and also each candidate to be voted for may be present either in person or by a representative or both. The county board of elections shall authorize representatives of the news media to observe the recanvass of the votes cast on the voting machine in each precinct. Nothing in this section shall prohibit an individual from requesting, in addition to a recanvass, a recount as authorized by KRS chapter 120.

Section 20. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer except as otherwise provided by law.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify the amount of such expenses, indicating each item of expense separately, together with a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of *one hundred twenty-five dollars ($125)* [~~eighty-five dollars ($85.00)~~] for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

Section 21. KRS 118.105 is amended to read as follows:

(1) Except as provided in subsections (3) and (4) of this section and in KRS 118.115, every political party shall nominate all of its candidates for elective offices to be voted for at any regular election at a primary election held as provided in this chapter, and the governing authority of any political party shall have no power to nominate any candidate for any elective office or to provide any method of nominating candidates for any elective office other than by primary elections as provided in this chapter.

(2) Any political organization not constituting a political party as defined in KRS 118.015 may make its nominations as provided in KRS 118.325.

(3) If a vacancy occurs in the nomination of an unopposed candidate or in a nomination made by the primary before the ballots are printed for the regular election, the governing authority of the party may provide for filling the vacancy. When such a nomination has been made, the certificate of nomination shall be signed by the chairman and secretary of the governing authority of the party making it, and shall be filed in the same manner as certificates of nomination at a primary election.

(4) This section does not apply to candidates for [~~subdistrict school trustees,~~] members of boards of education, members of the legislative bodies of cities of the fifth or sixth class, or presidential electors, nor to candidates for mayor or commissioner in cities of the fourth class operating under the commission form of government and in cities of the second, third or fourth class operating under the city manager form of government.

Section 22. KRS 118.125 is amended to read as follows:

(1) Except as provided in KRS 118.155, any person who is qualified under the provisions of KRS 116.055 to vote in any primary election for the candidates for nomination by the party at whose hands he seeks the nomination, shall have his name printed on the official ballot of his party for an office to which he is eligible in that primary, upon filing, with the proper officer at the proper time, a notification and declaration.

(2) The notification and declaration shall be in the form prescribed by the state board of elections. The declaration shall be subscribed and sworn to by the person making it, before an officer authorized to administer an oath.

(3) At the time of filing his notification and declaration, the candidate shall file therewith an affidavit of two (2) reputable electors who are members of the party to which the candidate belongs. The affidavit shall be in the form prescribed by the state board of elections.

(4) The notification and declaration and the accompanying affidavits may be on the same or separate sheets, but shall be filed together. When so filed with the proper officer, and certified according to KRS 118.165, the officer shall have the candidate's name printed on the ballot according to the provisions of this chapter.

(5) Titles, ranks or spurious phrases shall not be accepted on the filing papers and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials and contractions of given names may be acceptable as the candidate's name.

Section 23. KRS 118.165 is amended to read as follows:

(1) Candidates for offices to be voted for by the electors of one county or of a district less than one county, except members of congress and members of the general assembly, shall file their nomination papers with the county clerk of the county not less than fifty-five (55) days before the day fixed by law for holding the primary election. Candidates for *all state* offices [~~to be voted for by the electors of more than one county, and for members of congress and members of the general assembly,~~] shall file their nomination papers with the secretary of state not less than fifty-five (55) days before the day fixed by law for holding the primary election.

(2) The secretary of state or the county clerk shall examine the notification and declaration form of each candidate. The proper officer shall notify the candidate by regular mail within twenty-four (24) hours of filing that his papers have been certified. If there is an error the officer shall notify the candidate by certified mail within twenty-four (24) hours of filing. Upon receipt of such notice, the candidate shall correct such error not later than seventy-two (72) hours after the filing deadline.

Section 24. KRS 118.215 is amended to read as follows:

(1) Not less than forty-five (45) days before a primary or regular election is to be held, and after the order of the names has been determined as provided in KRS 118.225, the secretary of state shall certify, to the county clerks of the respective counties entitled to participate in the nomination or election of the respective candidates, the name, place of residence and party of each candidate for each office, as specified in the nomination papers or certificates and petitions of nomination filed with him, and shall designate the device under which the candidate groups or lists of candidates of each party shall be printed, in the order in which they are to appear on the ballot, with precedence to be given to the party that polled the highest number of votes at the preceding election for presidential electors, *followed by the political party which received the second highest number of votes with the order of any other political parties and independents to be determined by lot.* Candidates for county offices *and local state offices* shall be listed in the following order: [~~county judge/executive,~~] commonwealth's attorney, [~~county attorney,~~] circuit clerk, [~~county clerk, sheriff, jailer, county commissioner,~~] property valuation administrator, *county judge/executive, county attorney, county clerk, sheriff, jailer, county commissioner,* coroner, justice of the peace and constable. The names of candidates for president and vice president shall be certified in lieu of certifying the names of the candidates for presidential electors.

(2) All independent candidates whose nominating petitions are filed with the county clerk shall be listed under the [~~title and device designated by them, or if none is designated, under the~~] word "independent," *in one column according to the office which they seek.* The order in which independent candidates shall appear on the ballot shall be determined by lot by the county clerk. If the same device is selected by two groups of petitioners, it shall be given to the first selecting it and the county clerk shall permit the other group to select a suitable device. *This section does not apply to candidates for municipal offices which comes under subsection (3) of this section.*

(3) The ballots used at any election in which city officers are to be elected as provided in subsection (2) of this section shall contain the names of candidates for such city offices grouped according to the offices they seek, and such candidates shall be immediately arranged under and beneath the title of office such candidates seek. The order in which the names of the candidates for each office are to be printed on the ballot shall be determined by lot. Each group of candidates for each separate office for which such candidates are to be elected shall be separated from the preceding or succeeding groups by a line transversing the entire ballot and spaced so as to avoid confusion on the part of the voter.

(4) The secretary of state shall not knowingly certify to the county clerk of any county the name of any candidate who has not filed the required nomination papers, nor knowingly fail to certify the name of any candidate who has filed the required nomination papers.

(5) If the county clerk determines that the number of certified candidates cannot be placed on a ballot which can be accommodated by the voting machines currently in use by the county, he shall so notify the state board of elections not less than 35 days before the primary or general election. The state board of elections shall meet within 5 days of such notice, review the ballot conditions and determine whether or not supplemental paper ballots are necessary for the election. Upon approval of the state board of elections, supplemental paper ballots may be used for nonpartisan candidates for an office or offices and public questions submitted for a yes or no vote, provided that all candidates for any particular office shall be placed either on the machine ballot or on the paper ballot.

Section 25. KRS 118.225 is amended to read as follows:

(1) For the purpose of determining the order in which the names of candidates to be voted for by the electors of the entire state shall be certified and printed on the ballots under the designation of the respective offices, the secretary of state shall prepare lists of the counties of each congressional district of the state.

He shall then arrange the surnames of all candidates for each office in alphabetical order for the first congressional district, and the names shall be certified in this order to the county clerks of all the counties comprising that district. For each succeeding congressional district, taken in numerical order, the name appearing first for each office in the last preceding district shall be placed last, and the name appearing second in the last preceding district shall be placed first, and each other name shall be moved up one (1) place. The lists shall be certified accordingly.

(2) For all other offices for which nomination papers and petitions are filed with the secretary of state, the order of names of candidates for each office shall be determined by lot at a public drawing to be held in the office of the secretary of state at 2:00 p.m., standard time, fifty-three (53) days before the primary *or general* election.

(3) For all offices for which nomination papers and petitions are filed in the office of the county clerk, the order in which the names of candidates for each office are to be printed on the ballot shall be determined by lot at a public drawing in the office of the county clerk at 2:00 p.m., standard time, fifty-three (53) days before the primary *or general* election.

(4) If the number of certified candidates cannot be placed on a ballot which can be accommodated on voting machines currently in use in the county, the county clerk shall notify the state board of elections, as provided in KRS 118.215.

Section 26. KRS 118.245 is amended to read as follows:

The candidate receiving the highest number of votes in a primary election for the office for which he is a candidate shall be the nominee of his party for that office and shall receive the certificate of nomination. *If two (2) or more persons are found to have received the highest and an equal number of votes for nomination to the same office, the election shall be determined by lot in such manner as the board directs, in the presence of not less than three (3) other persons. This section does not apply to presidential primaries.*

Section 27. KRS 118.255 is amended to read as follows:

(1) The secretary of state shall receive a fee of *twenty dollars ($20.00)* [~~five dollars ($5.00)~~] for each notification and declaration and petition filed with him, to be paid by the candidate, *or the candidate's representative,* when the notification and declaration and petition is filed.

(2) The county clerk shall receive a fee pursuant to KRS 64.012 for each notification and declaration and petition filed with him to be paid by the candidate at the time of the filing. The county clerk shall receive a fee pursuant to KRS 64.012 for each name published as provided in KRS 118.235, to be paid by the county.

(3) The county clerk and/or secretary of state shall pay the cost of mailing the certification of nomination and declaration petition from the fee collected from the candidate.

Section 28. KRS 118.305 is amended to read as follows:

(1) Except as provided in KRS 118.345, and subject to the provisions of subsections (2) and (3) of this section, the county clerk of each county shall cause to be printed for the voting machines and on the special ballots for the regular election the names of the following persons:

(a) Candidates of a political party, as defined in KRS 118.015, who have received certificates of nomination at the preceding primary election, or certificates of nomination under KRS 118.185, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk.

(b) Candidates of a political party, as defined in KRS 118.015, who have been nominated for an unexpired term in a manner determined by the governing authority of the party, as provided in KRS 118.115, and whose evidences of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter.

(c) Candidates of a political party, as defined in KRS 118.015, who have been nominated by the governing authority of the party to fill a vacancy in the candidacy of a person nominated at the preceding primary election, as provided in KRS 118.105, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk, *at least fifty-five (55) days* [~~in sufficient time~~] before the regular election [~~to enable their names to be printed for the voting machines and on the special ballots at the time they are required to be printed~~].

(d) Candidates who have been nominated by a political organization as provided in KRS 118.325 and whose certificates or petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter.

(e) *Independent* candidates who have been nominated by petition as provided in KRS 118.315, and whose petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter.

(f) *Where a vacancy in a candidacy occasioned by the death, removal or resignation of a candidate before the election and after the ballot labels have been prepared is filled by the chairman of the state, district or county political organization as provided by law, the chairman shall furnish to the county clerk a sufficient number of printed ballot labels bearing the name of the new candidate to replace those bearing the name of the candidate with respect to which the vacancy has occurred. If such ballot labels are furnished to the clerk before the machines are delivered to the election precincts, the clerk shall cause them to be* *inserted in the proper ballot frames. If they are furnished after the machines have been delivered to the election precincts, the county clerk shall cause the ballot labels to be delivered to the clerk of each precinct, with directions as to insertion in the proper ballot frames.*

(g) Candidates for president and vice-president of the United States, of those political parties and organizations who have nominated presidential electors as provided in KRS 118.325, where the certificate of nomination of such electors has been filed with the secretary of state within the time prescribed in this chapter.

(h)[~~(g)~~] Candidates for soil and water district supervisors who have been nominated by petition as provided in KRS 262.210.

(2) Candidates for members of boards of education shall have their names printed on ballot labels and special ballots for the regular election only after filing as provided in KRS 160.220.

(3) Except as provided in KRS 118.105 and 118.115, the name of no candidate shall be printed upon the ballot labels and special ballots for any regular election as the nominee of any political party, as defined in KRS 118.015, or under the emblem of any political party, as so defined, except those candidates who have been duly and regularly nominated as nominees of that party at a primary election held as provided in this chapter.

(4) No county clerk shall knowingly cause to be printed, upon the ballot labels or special ballot for any regular election, the name of any candidate of a political party, as defined in KRS 118.015, who has not been nominated in the manner provided in the primary election laws.

(5) The names of candidates for president and vice-president shall be certified in lieu of certifying the names of the candidates for presidential electors.

(6) Any public office, board of commission required by law to fill, temporarily by appointment, a vacancy that occurs in an elective office, shall immediately notify in writing both the county clerk and secretary of state of the vacancy.

Section 29. KRS 118.315 is amended to read as follows:

(1) A candidate for any office to be voted for at any regular election may be nominated by a petition of electors qualified to vote for him, complying with the provision of subsection (2) of this section.

(2) A petition of nomination for a state officer, or any officer for whom all the electors of the state are entitled to vote, shall contain five thousand (5,000) petitioners; for a representative in congress from any congressional district, or for any officer from any other district except as herein provided, four hundred (400) petitioners; for a county officer or member of the general assembly, one hundred (100) petitioners; for a soil and water conservation district supervisor, twenty-five (25) petitioners; for an officer of a precinct or ward, or other division less than a county except as herein provided, twenty (20) petitioners. The signatures of the petition need not be appended to one (1) paper. No petitioner shall be counted unless his residence, *social security number* and post-office address are designated. If any person joins in nominating, by petition, more than one (1) nominee for any office to be filled, he shall be counted as a petitioner for the candidate whose petition is filed first, except a petitioner for the nomination of candidates for soil and water conservation district supervisors may be counted for every petition to which his signature is affixed. The petition shall state the name and residence of each of the candidates, the name of the office for which he is running, the district, if applicable, from which he is running, that he is legally qualified to hold the office, and that the subscribers desire, and are legally qualified, to vote for the candidate. The petition shall designate a brief name or title of the party or principle that the candidate represents, together with any simple figure or device by which it is desired that he be designated on the voting machines. *This does not apply to municipal and school board races.*

(3) *Titles, ranks or spurious phrases shall not be accepted on the filing papers and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials and contractions of given names may be accepted as the candidate's name.*

(4) The state board of elections shall prescribe the forms for the petition.

Section 30. KRS 118.345 is amended to read as follows:

(1) No candidate who has been defeated for the nomination for any office in a primary election shall have his name placed on voting machines in the succeeding regular election as a candidate for the same office for the nomination to which he was a candidate in the primary election, except that if a vacancy occurs in the party nomination for which he was a candidate in the primary election his name may be placed on voting machines for the regular election as a candidate of that party if he has been duly made such party nominee after the vacancy occurs as provided in KRS 118.105.

(2) No person who was a candidate for nomination for any office in a primary election and who, before the succeeding regular election, is declared by the judgment of any court of competent jurisdiction to have violated, in the primary election, any provision of KRS chapter 121, or to be responsible for such violation by others, shall have his name placed on voting machines for any office to be voted for in the succeeding regular election.

(3) This section does not apply to presidential preference primary candidates.

Section 31. KRS 118.365 is amended to read as follows:

(1) Certificates of nomination issued by the state board of elections shall be filed by that board with the secretary of state immediately. Such certificates issued by the county board of elections shall be filed by that board with the county clerk immediately.

(2) Certificates of nomination made by the governing authority of a party to fill vacancies in office, as provided in KRS 118.115, shall, when required to be filed with the secretary of state, be filed not less than fifty-five (55) days before the day fixed by law for the election of the person in nomination. When required to be filed with the county clerk, they shall be filed not less than fifty-five (55) days before the day fixed by law for the election of the person in nomination.

(3) [~~Except as provided in subsection (4) of this section,~~] Petitions and certificates of nomination, when required to be filed with the secretary of state, shall be filed not less than fifty-five (55) days before the day fixed by law for the holding of *regular* [~~primary~~] elections. When required to be filed with the county clerk, they shall be filed not less than fifty-five (55) days before the day fixed by law for holding of *regular* [~~primary~~] elections.

(4) [~~Petitions and certificates of nomination for the nomination of candidates for city offices or of candidates for members of boards of education shall be filed not less than fifty-five (55) days before the day fixed by law for the election of the person in nomination.~~] Petitions and certificates of nomination for electors of president and vice president of the United States shall be filed with the secretary of state not less than fifty-five (55) days prior to the date fixed by law for the election of such electors.

Section 32. KRS 118.415 is amended to read as follows:

(1) Whenever an amendment to the constitution has been proposed by the general assembly, the secretary of state shall cause the text of the proposed amendment to be published at least two (2) times in two (2) newspapers of general circulation published in this state, and shall also cause to be published at the same time and in the same manner the fact that the amendment will be submitted to the voters for their acceptance or rejection at the next regular election at which members of the general assembly are to be voted for. The publication shall be made at least ninety (90) days preceding the election at which the amendment is to be voted on.

(2) The attorney general shall state the substance of the amendment in the form of a question in a manner calculated to inform the electorate of the substance of the amendment, and shall certify the question to the state board of elections to be placed on the voting machine. The state board of elections, not less than *forty-five (45)* [~~fifty (50)~~] days before the next regular election at which members of the general assembly are to be chosen, shall certify the substance of the amendment, as stated and certified by the attorney general, to the county clerk of each county, and the county clerk shall have the substance of the amendment, as so certified, indicated on the voting machines.

(3) The votes cast for and against the amendment shall be counted, canvassed and certified to the state board of elections in the same manner as the votes cast for any officer elective by the votes of the whole state. If a majority of the votes cast on the question are for the amendment, it shall become a part of the constitution.

(4) The expenses of the publications provided for in this section shall be paid as are the expenses of other publications that the secretary of state is required to make in connection with elections.

Section 33. KRS 118.425 is amended to read as follows:

(1) The state board of elections shall issue certificates of election where the successful candidate was voted for by the state at large or by a district greater than one (1) county, or was a candidate for member of congress or the general assembly.

(2) The county board of elections shall issue certificates of election where the successful candidate was voted for by the electors of one (1) county, or of a district less than one (1) county, except members of congress, [~~and~~] members of the general assembly *and designated officers filing with the state board of elections*. The board shall forward the certificate to the elected candidate [~~unless he has failed to comply with KRS Chapter 121~~]. If the board finds that two (2) or more candidates have received the highest and equal number of votes for the same office, the board shall determine by lot which of the candidates is elected.

(3) In the case of offices voted for by the state at large or by a district greater than one (1) county, and for members of congress and members of the general assembly, and in the case of public questions submitted to the vote of the people of the state at large or of a district greater than one (1) county, the county board of elections shall make out duplicate certificates of the total number of votes received by each of the candidates for such office and the total number of votes for and against each of such questions. The clerk shall keep one (1) of the certificates in his office. He shall not later than three (3) days after receiving such certificate from the board, forward the other certificate by mail to the secretary of state who shall deliver it to the state board of elections.

(4) The state board of elections shall meet, to count and tabulate the votes received by the different candidates as certified to the secretary of state, when the returns are all in, or on the second Monday after the election whether they are in or not, but if all the returns are not made, the right to contest an election

shall not be impaired. Any two (2) of the members of the board may act in the absence of the third. The board shall make out the certificates of election in the office of the board, from the returns made. The board shall make out duplicate certificates of election, in writing, over the signatures of its members. The board shall forward the original certificate, by mail, to the elected candidate[~~, unless he has failed to comply with KRS Chapter 121~~]. The duplicate shall be retained in the office of the board. In the case of the election of a representative in congress, an additional certificate shall be made and sent, by mail, to the clerk of the house of representatives.

(5) The certificate of election shall be issued to the candidate receiving the highest number of votes in the territory from which the election is to be made. If two (2) or more persons are found to have received the highest and an equal number of votes for the same office, the election shall be determined by lot in such manner as the board directs, in the presence of not less than three (3) other persons. In the case of elections for electors of president and vice president of the United States, the board shall issue a certificate of election to each elector of the political party or organization whose candidates for president and vice president received the highest number of votes and the determination by the board that the candidates of any political party or organization for president and vice president have received the highest number of votes shall constitute a determination that the electors nominated by that party have been elected.

Section 34. KRS 118.580 is amended to read as follows:

(1) The state board of elections shall convene in Frankfort fifty-five (55) days before the date fixed by law for the holding of primary elections. At the meeting required by this section, the board shall nominate as presidential preference primary candidates all those generally advocated and nationally recognized as candidates of the political parties for the office of president of the United States. Immediately upon completion of this requirement, the board shall transmit a list of all such nominees selected to the secretary of state and shall also release the list to the news media.

(2) For purposes of this section, a candidate shall be considered generally advocated and nationally recognized if the candidate:

(a) Has a current national campaign and has participated in one (1) or more previous primaries; or

(b) Has major support by his party in his home state or is well recognized by the media as a leading independent; or

(c) Has received national exposure for his campaign; or

(d) Has a staff and resources to realistically campaign in the state; or

(e) Can reasonably expect to receive federal matching funds; and

(f) Submits documents to support that he is generally advocated and nationally recognized, and request that he be nominated by the board.

Section 36. KRS 118.610 is amended to read as follows:

Each candidate nominated for the presidential preference primary pursuant to KRS 118.580 or 118.590, or by independent petition for president of the United States at the November election pursuant to KRS 118.315, must submit a filing fee in the sum of two hundred fifty dollars ($250) to the secretary of state in order to have his name certified as a candidate pursuant to KRS 118.215. [~~(1) Before any candidate's name is placed upon the official ballot by the secretary of state for a presidential preference primary in the commonwealth the candidate must deposit with the secretary of state the sum of two hundred and fifty dollars ($250), which shall be refunded to the candidate by the secretary of state if the candidate receives three percent (3%) or more of the total vote cast in the presidential preference primary of his political party.~~

~~(2) If the candidate fails to receive three percent (3%) or more of the total popular vote cast in the presidential preference primary of his party, the two hundred and fifty dollar ($250) deposit shall escheat to the commonwealth and be placed in a special trust and agency fund to be used by the secretary of state to defray election expenses.~~]

Section 37. KRS 118A.060 is amended to read as follows:

(1) Except as provided in KRS 118A.100 and 118A.110, no person's name shall appear on a ballot label or special ballot for an office of the Court of Justice without first having been nominated as provided in this section.

(2) Each candidate for nomination shall file a petition for nomination with the secretary of state not less than fifty-five (55) days before the day fixed by law for holding the primary election.

(3) The petition for nomination shall state the name and residence of the candidate and shall describe, by district or circuit, and by numbered division thereof if divisions exist, the office for which he seeks nomination. It shall be signed by him and by not less than two (2) registered voters from the district or circuit from which he seeks nomination. The petition shall be in the form prescribed by the state board of elections. *Titles, ranks or spurious phrases shall not be accepted on the petition and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials and contractions of given names may be acceptable as the candidate's name.*

(4) The order of names on the ballot for each district or circuit, and numbered division thereof if divisions exist, shall be determined by lot at a public drawing to be held in the office of the secretary of state at 2:00 p.m., standard time, fifty-three (53) days before the primary election.

(5) Not less than forty-five (45) days before the primary election, and after the order of names on the ballot has been determined as required in subsection (4), the secretary of state shall:

(a) Certify to the county clerks of the respective counties entitled to participate in the election of the various candidates, the name and place of residence of each candidate for each office, by district or circuit, and numbered division thereof if divisions exist, as specified in the petitions for nomination filed with him; and

(b) Designate for the county clerks the office of the Court of Justice under which the names of candidates shall be printed and the order in which they are to appear on the ballot.

(6) The county clerks of each county shall cause to be printed on the ballot labels for the voting machines and on the special ballots for the primary the names of the candidates for offices in the Court of Justice.

(7) The names of the candidates shall be placed on the voting machine in a separate column or line headed or preceded by the words "Judicial Ballot." Above the names of candidates for nomination shall be printed the words "Vote for one," or "Vote for one in each division," as appropriate. The office, numbered division thereof if divisions exist, and the candidates therefor shall be clearly labelled. No party designation or emblem of any kind, nor any sign indicating any candidate's political belief or party affiliation, shall be used on voting machines or special ballots.

(8) The two (2) candidates receiving the highest number of votes for nomination for justice or judge of a district or circuit, or numbered division thereof if divisions exist, shall be nominated. Certificates of nomination shall be issued as provided in KRS 118A.190.

(9) If it appears after expiration of the time for filing petitions for nomination that there are not more than two (2) candidates who have filed the necessary petitions for a place on the ballot in the regular election, the secretary of state shall immediately issue and file in his office certificates of nomination, and send copies to the candidates.

Section 38. KRS 118A.100 is amended to read as follows:

(1) Candidates for an unexpired term of a judicial office to be filled at a regular election shall be nominated at the primary next preceding the regular election in the manner prescribed in KRS 118A.060 if the vacancy occurs not less than seventy (70) days before the primary. If the vacancy occurs on or after the seventieth day before the primary, the election to fill the unexpired term shall be held in accordance with the procedures described in this section and section 152 of the Constitution of Kentucky.

(2) Each candidate shall file a petition for candidacy with the secretary of state at least fifty-five (55) days before the day fixed by law for holding the regular election.

(3) The petition for candidacy shall state the name and residence of the candidate and shall describe by district or circuit, and numbered division thereof if divisions exist, the judicial office for which he seeks election. It shall be signed by him and not less than two (2) registered voters from the district or circuit from which he seeks candidacy. The petition shall be in the form prescribed by the state board of elections. *Titles, ranks or spurious phrases shall not be accepted on the petition and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials and contractions of given names may be acceptable as the candidate's name.*

(4) The order of names on the ballot for each district or circuit, and numbered division thereof if divisions exist, shall be determined by lot at a public drawing to be held in the office of the secretary of state at 2:00 p.m., standard time, fifty-three (53) days before the regular election.

(5) Not less than forty-five (45) days before the regular election, and after the order of names on the ballot has been determined as required in subsection (4), the secretary of state shall:

(a) Certify to the county clerks of the respective counties entitled to participate in the election of the various candidates, the name and place of residence of each candidate for each office, by district or circuit, and numbered division thereof if divisions exist, as specified in the petitions for candidacy filed with him; and

(b) Designate for the county clerks the office of the Court of Justice under which the names of candidates shall be printed and the order in which they are to appear on the ballot.

(6) The county clerks of each county shall cause to be printed on the ballot labels for the voting machines and on the special ballots for the regular election the names of the candidates for offices of the Court of Justice.

(7) The names of the candidates shall be placed on the voting machine in a separate column or line headed or preceded by the words "Judicial Ballot," and in such a manner that the casting of a vote for all of the candidates of a political party will not operate to cast a vote for judicial candidates. Above the names of the candidates shall be printed the words "Vote for one" or "Vote for one in each division," as appropriate. The office, numbered division thereof if divisions exist, and the candidates therefor shall be clearly labelled.

No party designation or emblem of any kind, nor any sign indicating any candidate's political belief or party affiliation, shall be used on voting machines or special ballots.

(8) The candidate receiving the highest number of votes cast at the regular election for a district or circuit, or for a numbered division thereof if divisions exist, shall be elected.

Section 39. KRS 119.225 is amended to read as follows:

Any member of a county board of *elections* [~~election commissioners~~] who refuses to permit an inspector designated under KRS 117.275 and 117.315 to exercise free and full action in witnessing the count of the ballots, or interferes with the right of such an inspector to have a free and full opportunity to witness the count of the ballots, shall be guilty of a high misdemeanor, and shall be fined not less than one thousand dollars ($1,000) nor more than two thousand dollars ($2,000), or imprisoned in the county jail for not less than six (6) months nor more than one (1) year.

Section 40. KRS 119.245 is amended to read as follows:

Any member of the state board of elections or of a county board of *elections* [~~election commissioners~~] who willfully and knowingly violates any provision of the statutes relating to his duties, or fails to execute faithfully any of the duties imposed upon him by law, for which no other penalty is provided, shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), and imprisoned in the county jail for not more than sixty (60) days.

Section 41. KRS 119.255 is amended to read as follows:

Any person who, by threat of violence or in any other manner, intimidates or attempts to intimidate the election officers, the state board of elections or a county board of *elections* [~~election commissioners~~] in the performance of their duty and any persons who conspire together and go forth armed for the purpose of intimidating said officers, shall be imprisoned in the penitentiary for not less than one (1) year nor more than five (5) years.

Committee Amendment No. 1 to **HB 682** is as follows:

Amend printed copy of **HB 682,** page 24, line 23, by deleting the following: "*The county board of elec-*", and by deleting lines 24-26

and on page 25, line 1, by deleting the following: "*board.*" and on page 48 by deleting lines 18-19 and on line 20 by deleting the following: "*that occurs in an elective office,*" and on line 20 by adding before the word "*shall*" the following:

"*(6) Whenever a vacancy occurs in an elective office which is required by law to be filled temporarily by appointment, the officer or body designated by law to make the appointment, or in the case of an office to be filled by appointment from a list of nominations, the officer or body designated by law to make the nominations,*"

Committee Amendment No. 2 to **HB 682** is as follows:

Amend printed copy of **HB 682,** page 1, line 4, after the word "*the*" by adding the word "*boundary*" and by deleting the word "*name*"

and on line 5, after the word "by" by adding the word "*precinct*" and by deleting lines 7 and 8

Committee Amendment No. 3 to **HB 682** is as follows:

Amend printed copy of **HB 682,** page 14, line 24, by deleting the following: "*Without exception the county board of*", and by deleting lines 25 and 26

and on page 15, by deleting lines 1-3, and on line 4 by deleting the following: "*the state board of elections upon a written request.*"

HJR 36, A JOINT RESOLUTION requiring the department of finance to place organizations of the blind, mentally retarded and physically or mentally handicapped who manufacture and/or sell commodities or services used by the state on the list of acceptable bidders.

WHEREAS, the Commonwealth of Kentucky has need of certain commodities and services in the conduct of governmental operations that may be supplied by agencies of the blind, mentally retarded or physically or mentally handicapped and;

WHEREAS, the blind, mentally retarded and physically and mentally handicapped desire to be self-supporting and;

WHEREAS, the blind, mentally retarded and physically and mentally handicapped wish to be given equal but not special consideration in competing for state contracts;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

The department of finance shall place organizations of the blind, mentally retarded, and physically or mentally handicapped on the acceptable bidders list, upon their request, for bidding on commodities or services offered by their organizations.

HR 65, A RESOLUTION honoring Jeff Van Note.

WHEREAS, Jeff Van Note is a native of Louisville, Kentucky; and

WHEREAS, while in high school at St. Joseph's Prep in Bardstown, Jeff Van Note was an honor student, as well as the starting quarterback for the football team; and

WHEREAS, Jeff Van Note's football career as a defensive end at the University of Kentucky led Jeff to the old Continental League, where he made the Atlanta Falcons squad; and

WHEREAS, Jeff Van Note has played the brutalizing position of center for the Falcons since 1971; and

WHEREAS, in 1980, Jeff Van Note's peers elected him as the National Conference Lineman of the Year; and

WHEREAS, Jeff Van Note is Vice President of the National Football League's Players Association; and

WHEREAS, Jeff Van Note was recently awarded the Louisville Quarterback Club's "Athlete of the Year" Award; and

WHEREAS, Jeff Van Note was selected as "All Pro Center" in the National Football Conference in 1980 and 1981;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House is proud to honor Jeff Van Note, outstanding Kentuckian and exemplary representative of the Commonwealth.

Section 2. That the Clerk of the House is directed to transmit a copy of this resolution to Jeff Van Note.

HJR 72, A JOINT RESOLUTION establishing the Kentucky Honorable Service Award in memory of Kentucky veterans who rest in Arlington National Cemetery and authorizing display of the award in the Memorial Amphitheater.

WHEREAS, Kentucky veterans of military service to the United States, through unselfish and valorous conduct, have served their country nobly in defense of freedom and human dignity, both here and abroad; and

WHEREAS, these Kentucky veterans, having made the ultimate sacrifice for peace, freedom and security, have earned the gratitude and respect of the citizens of the Commonwealth; and

WHEREAS, Arlington National Cemetery has dedicated space for each state to honor its citizens who have fallen in battle;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby established for the purpose of display in the Memorial Amphitheater in Arlington National Cemetery the Kentucky Honorable Service Award dedicated to the memory of all veterans of the Commonwealth of Kentucky who rest in distinguished glory in Arlington National Cemetery.

Section 2. That the General Assembly does hereby authorize the presentation of this award to Arlington National Cemetery for display in the Memorial Amphitheater.

Section 3. That a medal representing this award shall be purchased with funds made available through voluntary contributions paid to the state treasurer for the purpose of executing this resolution.

Section 4. That it shall be the duty of the adjutant general, provided sufficient funds are available as provided in Section (3) of this resolution, to ensure that a medal be created in conformance with guidelines established by Arlington National Cemetery and to arrange for presentation and display of the award in the Memorial Amphitheater.

HR 78, A RESOLUTION requesting the President of the United States to direct the Secretary of the Army to comply with congressional mandate to fund the construction of flood control projects on the Levisa and Tug Forks of the Big Sandy and the Upper Cumberland River by the Corps of Engineers; and the Chairman of both the House and Senate Appropriations Subcommittes that review water projects to investigate the Secretary of the Army's actions.

WHEREAS, chronic flooding in Eastern Kentucky and its subsequent damages is well documented and every major rainfall brings the threat of rampaging water; and

WHEREAS, a special study of the natural hazards in the Appalachian area found that between 1968 and 1978 there were 127 floods which equaled or exceeded the 100-year flood level in 62 counties; and

WHEREAS, the latest and most devastating flood occurred in April, 1977, and is known to have taken the lives of ten (10) persons, injured 2,255, caused property damages to 9,715 families and destroyed or severely damaged 4,507 homes and businesses; and

WHEREAS, it is estimated that over $175 million dollars in disaster relief was poured into the fifteen (15) Kentucky counties declared emergency disaster areas after the flood of April, 1977; and

WHEREAS, the counties in this area are among the leading coal producing counties in the leading coal producing state in the Nation and the increased utilization of the coal resource in this area is a necessary and essential part of the Nation's urgent need for energy; and

WHEREAS, the large number of recurring floods, the actual damage caused by the floods, to both present and potential development, and the sociological/psychological damages to persons requiring rehabilitation or relocation evidence the necessity for immediate design and construction of flood control measures to prevent or reduce future damages from floods; and

WHEREAS, current conventional evaluation policies (benefit/cost ratio) do not adequately recognize nor account for the consideration necessary to support and retain a local labor force and adjunct social infrastructure necessary for extraction and utilization of coal, our basic energy resource; and

WHEREAS, a broad program encompassing a combination of structural (local flood protection projects such as the Pineville Flood Wall) and non-structural (flood safe land development, evacuation-warning system, etc.) measures similar to the Tug Fork Program is essential to effectively reduce flood damages; and

WHEREAS, the United States Congress enacted the Energy and Water Development Act of 1981 in October of 1980 (PL96-367); and

WHEREAS, Section 202 of this Act authorizes and directs the Secretary of the Army "to design and construct" flood control measures for communities on the Levisa and Tug Forks of the Big Sandy and the Upper Cumberland River; and

WHEREAS, "Congress finds that the benefits attributable to the objective set forth in Section 209 of the Flood Control Act of 1970 exceed the cost of the flood control measures authorized by this section" (PL96-367, October 1, 1980); and

WHEREAS, the Secretary of the Army has violated both the spirit and the letter of the legislation and has failed to comply with the mandate of Congress as set forth in Section 202.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the President of the United States is hereby requested to direct the Secretary of the Army to comply with the mandate of Congress in regard to Section 202 of the Energy and Water Development Act of 1981.

Section 2. That in support of the actions initiated by the Kentucky Congressional delegation, the Chairman of both the House and the Senate Appropriations Subcommittee that review water projects are hereby requested to investigate the Corps of Engineers actions.

Section 3. That the Clerk be directed to send copies of this resolution to the President of the United States, the Secretary of the Army, the Assistant Secretary of the Army, the Chairman of both the House and Senate Appropriations Subcommittees for review of water projects, the Kentucky Congressional Delegation, and the Governor of the Commonwealth of Kentucky.

SB 135, AN ACT relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 13 IS CREATED TO READ AS FOLLOWS:

(1) When an administrative body finds that an emergency exists, the Governor may issue an executive order that the regulation becomes effective immediately upon being filed in the office of the Legislative Research Commission; provided, however, that when an emergency regulation is filed with the Legislative Research Commission, the same regulation shall be submitted for review as provided by Sections 2 and 3 of this Act. Within sixty (60) days after an emergency regulation is filed under this subsection, the subcommittee shall review the emergency regulation and may recommend that the Governor revoke such regulation. The subcommittee and the interim committee with appropriate jurisdiction may also review an emergency regulation at any time while it is in effect and may recommend that the Governor revoke such regulation.

(2) An emergency regulation shall expire when final action is taken on the same regulation submitted for review as provided by Sections 2 and 3 of this Act.

(3) When the subcommittee or the appropriate interim committee or the General Assembly has objected to a proposed regulation, that regulation shall not be filed as an emergency.

Section 2. KRS 13.085 is amended to read as follows:

(1) Except as provided in *Section 1 of this Act* [~~subsection (2) of this section~~] no regulation made by any administrative body after July 15, 1980 shall become effective until after an original and five duplicate copies of the regulation are forwarded to the office of the legislative research commission, and:

(a) The proposed regulation has been published in the administrative register as required by KRS 13.096; and

(b) A public hearing is held, if requested, by a person having an interest in the subject matter, within thirty (30) days following publication of proposed regulation, as provided by subsection *(3)* [~~(4)~~] of this section; provided, however, that if no public hearing is requested within thirty (30) days of publication the regulation shall be submitted to the administrative regulation review subcommittee; and

(c) The proposed regulation has been reviewed and accepted by the administrative regulation review subcommittee as required by KRS 13.087; or

(d) The proposed regulation is reviewed and accepted by the appropriate interim committee, if required by KRS 13.087; or

(e) The proposed regulation is placed before and not disapproved by the general assembly, if required by KRS 13.087.

(2) [~~The requirements of subsection (1) of this section shall not apply when the administrative body finds that an emergency exists, and the governor issues an executive order that the regulation become effective immediately upon being filed in the office of the legislative research commission. A regulation so filed shall expire upon sine die adjournment of the next regular session of the general assembly, provided that between the filing of the regulation and such sine die adjournment the proposed regulation may be processed in accordance with this section if the administrative body desires it to become permanent after sine die adjournment of the next regular session of the general assembly. The general assembly hereby declares that it is the state policy that emergencies are held to a minimum. Within sixty (60) days after an emergency regulation is filed under this subsection, the subcommittee shall review the emergency regulation and may recommend that the governor revoke such regulation. The subcommittee and the interim committee with appropriate jurisdiction may also review an emergency regulation at any time while it is in effect and may recommend that the governor revoke such regulation.~~

~~(3)~~] Each proposed or revised regulation submitted to the legislative research commission shall include a citation of the authority pursuant to which it, or any part of it, was adopted, a brief statement which sets forth with particularity the necessity for issuing the regulation, a summary of the functions sought to be implemented by the proposed or revised regulation, and the place and manner in which interested persons may present their views. A violation of this subsection shall constitute reason for rejection of the proposed regulations.

(3)[~~(4)~~] If within thirty (30) days following publication of the text of a proposed regulation a request is received by the administrative body from a person having an interest in the subject matter of the regulation to offer comment upon the proposed regulation, the administrative body shall fix a date, time and place for a hearing, open to the public, on the proposed regulation. Every hearing shall be conducted in such a manner so as to guarantee each person who wishes to offer comment a fair and reasonable opportunity to do so; provided, however, every hearing shall be conducted so as to be completed within sixty (60) days from the date the proposed regulation was first published in the administrative register. No transcript need be taken of the hearing unless a written request for a transcript is made in which case the person requesting the transcript shall have the responsibility of paying for same. Following the hearing the administrative body shall give affirmative consideration to all written and oral statements submitted regarding the proposed regulation. The

administrative body shall then forward to the legislative research commission within ninety (90) days of the hearing, a copy of the regulation as amended, if amended as a result of the hearing a statement indicating what changes have been made in the original wording, and a statement summarizing the comments submitted to the administrative body at the hearing. If the regulation is amended as a result of the hearing, the full text shall be reprinted in the administrative register prior to subcommittee consideration.

(4)[~~(5)~~] The legislative research commission shall cause to be endorsed on the original and duplicate copies of each regulation submitted the time and date of the filing thereof and shall maintain a file of such regulations for public inspection, with suitable indexes.

Section 3. KRS 13.087 is amended to read as follows:

(1) There is hereby created a permanent subcommittee of the legislative research commission to be known as the administrative regulation review subcommittee. The subcommittee shall be composed of seven (7) members, no more than five (5) of whom shall be members of the same political party. The legislative research commission shall appoint from the membership of the general assembly, the members of the subcommittee for terms of two (2) years, and the members so appointed shall elect one (1) of their number to serve as chairman. Any vacancy which may occur in the membership of the subcommittee shall be filled by the legislative research commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(2) The subcommittee shall meet monthly at such time and place as the chairman may determine. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(2).

(3) Any professional, clerical or other employes required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).

(4) Prior to filing, all regulations shall be submitted to the administrative regulation review subcommittee to determine if the regulation conforms to the statutory authority under which it was promulgated and if it carries out the legislative intent of the statutory authority under which it was promulgated. If the subcommittee finds that a regulation conforms to such statutory authority and carries out such legislative intent, the subcommittee shall accept the regulation. The subcommittee's finding that a regulation does not conform to the statutory authority or carry out the legislative intent shall be reported to the promulgating administrative body and to the director of the legislative research commission. In the event the subcommittee determines that a regulation, other than an emergency filing approved by the governor, does not conform to the statutory authority, or does not coincide with the legislative intent, the subcommittee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the subcommittee to the director of the legislative research commission. The subcommittee shall act on a regulation submitted to the legislative research commission within *forty (40) days of date of publication of the regulation in the Administrative Register, except as provided in subsection (3) of Section 2 of this Act* [~~thirty (30) days of the submission of the regulation~~].

(5) The promulgating administrative body may revise a regulation to comply with the subcommittee's objections, and may return the revised regulation to the subcommittee, or it may return the regulation *within thirty (30) days of the subcommittee's objection*, with the subcommittee's notation attached, without change. The subcommittee shall act upon a revised regulation in the manner prescribed by subsection (4) of this section. The legislative research commission shall immediately accept a revised regulation as filed if it is not objected to by the subcommittee.

(6) In the event that the general assembly is not in regular session and an administrative body returns a regulation, objected to by the subcommittee, to the legislative research commission without change, the regulation shall be referred by the director to the interim committee with appropriate jurisdiction as determined by the rules of the house and senate in effect during the most recent session of the general assembly. If the general assembly is in regular session when an administrative body returns a regulation, objected to by the subcommittee, without change, the regulation shall be laid before the house of representatives and senate in accordance with subsection (9) of this section.

(7) The interim committee to which a regulation is referred under subsection (6) of this section shall review the regulation in the same manner as did the administrative regulation review subcommittee and shall not expand its review beyond determining whether the regulation conforms to the statutory authority under which it was promulgated and whether the regulation carries out the legislative intent of the statute it seeks to implement. If the interim committee finds that the regulation conforms to such statutory authority and carries out such legislative intent, the committee shall accept the regulation. In the event the interim committee determines that a regulation does not conform to the statutory authority under which it was promulgated, or does not coincide with the legislative intent of the statute it seeks to implement the interim committee shall attach to the regulation a written notation of its objection, including a statement of the reasons therefor, and the director shall return the regulation to the promulgating administrative body. Notice of such objection shall be given by the interim committee to the director of the legislative research commission. The interim committee shall act on a regulation submitted in accordance with this section within thirty (30) days of the date the administrative body returns the regulation; provided, however, if there is no authorized meeting of

the interim committee within such thirty (30) day period, the legislative research commission shall take action on the returned regulation in the same manner herein described at its next regularly scheduled meeting.

(8) The subcommittee shall report monthly to the legislative research commission all action taken on administrative bodies' regulations. The director of the legislative research commission shall report to the commission all action taken by the interim committee.

(9) All proposed regulations not accepted by the subcommittee or interim committee together with the notations of the subcommittee's and the interim committee's objection shall be transmitted by the director to the clerk of the senate and the clerk of the house of representatives at the then-current or next succeeding regular session of the general assembly. The clerk of the senate and the clerk of the house of representatives shall lay all regulations so transmitted before the senate and the house of representatives, respectively, provided that in no case shall a regulation be laid before the general assembly within ten (10) legislative days of sine die adjournment unless so ordered by the general assembly. Proposed regulations not accepted by the subcommittee or interim committee that have been properly laid before the general assembly shall become effective upon sine die adjournment of the general assembly unless the general assembly in regular session shall disapprove the proposed regulation.

(10) Notwithstanding any other provision of this section or KRS 13.085, the general assembly may, during regular sessions and by concurrent resolution:

(a) Require any proposed regulation or proposed revised regulation that has been submitted to the legislative research commission, whether or not the subcommittee has acted on such regulation, to be laid before the general assembly, whereupon subsection (9) of this section shall apply to the regulation; or

(b) Require any regulation then in effect to be laid before the general assembly and may declare the regulation void by enacting a bill or joint resolution voiding the regulation.

Section 4. KRS 13.115, File of ineffective regulations to be kept, is repealed.

Section 5. Whereas, emergency regulations now in effect expire on sine die adjournment of the 1982 General Assembly, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

SB 168, AN ACT relating to reorganization of state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 14 IS CREATED TO READ AS FOLLOWS:

(1) The department of state shall be divided into two (2) divisions, each headed by a director appointed by the secretary of state pursuant to KRS 12.050.

(2) The division of administration shall be responsible for fiscal and personnel matters, public documents, legal affairs and special projects and commissions.

(3) The division of corporations shall be responsible for all functions of the department relating to corporations.

Section 2. KRS 11.065 is amended to read as follows:

(1) The heads of the department of finance, department for human resources, department of justice, *department of corrections,* department for natural resources and environmental protection, department of transportation, cabinet for education and the arts, cabinet for development, department of energy, cabinet for public protection and regulation, and the lieutenant governor shall constitute the governor's executive cabinet. There shall be a vice-chairman appointed by the governor who shall serve in an advisory capacity to the executive cabinet. The governor shall be the chairman and the secretary of the department of finance shall be a second vice-chairman of the executive cabinet. *The governor may designate others to serve as vice-chairmen.*

(2) The cabinet shall meet not less than once every two (2) months and at other times on call of the governor. The executive cabinet shall be a part of the office of the governor and shall not constitute a separate department or agency of the state. Members of the cabinet shall be the major assistants to the governor in the administration of the state government and shall assist the governor in the proper operation of his office and perform such other duties as the governor may require of them.

(3) The cabinet shall consider such matters involving policies and procedures as the governor or any member may place before it. The cabinet shall advise and consult with the governor on all matters affecting the welfare of the state.

Section 3. KRS 164.010 is amended to read as follows:

There shall be a council on higher education in Kentucky, to be composed of the superintendent of public instruction, *and seventeen (17)* [~~one (1) member of the state board of education education, one (1)~~

~~member of the state board for occupational education, ten (10)~~] lay members appointed by the governor, *one (1) from each congressional district, eight (8) from the state at large, one (1) from a list of two (2) nominated by the president pro tem of the senate, and one (1) from a list of two (2) nominated by the speaker of the house of representatives* [~~and the president or chief executive officer of each four-year state institution of higher education in the state~~]. The [~~superintendent of public instruction and ten (10)~~] lay members shall constitute the voting membership of the council. The lay members shall be appointed for regular terms of four (4) years, with the initial appointment of *five (5)* [~~two (2)~~] members for one (1) year, *four (4)* [~~two (2)~~] members for two (2) years, *four (4)* [~~two (2)~~] members for three (3) years and four (4) members for four (4) years. Whenever a lay member's term expires after July 15, *1982*[~~1980~~], the member appointed by the governor to fill the vacancy shall be appointed for a *four (4)* [~~six (6)~~] year term *in the same manner as the initial appointment.* Any person, other than the superintendent of public instruction, holding either an elective or appointive state office or who is a member of the governing board of any state [~~or private college or~~] university in Kentucky shall be ineligible for membership or appointment on the council during his membership or term of office. When the council meets to consider curricula for teacher education, three (3) persons who are from accredited institutions of higher learning, and who have been appointed by the executive committee of the Kentucky association of colleges, secondary and elementary schools, shall be invited to meet with the council in an advisory capacity.

Section 4. KRS 164.020 is amended to read as follows:

The council on higher education in Kentucky shall:

(1) Engage in analyses and research to determine the overall needs of higher education in the Commonwealth.

(2) Develop and transmit to the governor comprehensive plans for public higher education which meet the needs of the Commonwealth. The plans so developed shall conform to the respective functions and duties of the state [~~colleges and~~] universities, the community colleges, and the University of Kentucky as provided by statute. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in such federal legislation; provided, however, that when such federal legislation requires additional representation on any such "single state agency" the council on higher education shall establish such advisory groups as may be necessary to satisfy such federal legislative or regulatory guidelines.

(3) Determine *tuition* [~~the amount of entrance and/or registration fees~~] and approve the *minimum* qualifications for admission to the public institutions of higher education. In determining the *tuition* [~~entrance and/or registration fees~~] for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and such other factors as the council may in its sole discretion deem pertinent.

(4) Consider the requirements and review the budget requests, which shall be prepared in the manner and submitted by the institutions to the council by dates prescribed by the council, of the institutions of public higher education as to their appropriate level of support considering the functions of the institutions and their respective needs. *The council, in cooperation with the university presidents, shall devise, establish, and periodically review and revise formulas for use in making recommendations to provide to the governor and the legislature for use in making appropriations for the institutions of higher learning. The formulas shall provide for adequate and equitable allocation of funds among the several universities considering their respective needs and statutory, institutional, and geographic missions. In the development, revision, and refinement of such formulas, committees composed of members of the council staff and a representative of each of the state universities shall conduct hearings on each campus in a manner to give all principal segments of each institution the opportunity to participate in the development of the formulas. The studies shall include, but not be limited to:*

(a) A review of formulas used by other states to calculate needs and appropriate funds for institutions of higher education;

(b) A complete review of selected comparable institutions with reference to both the state appropriations and tuition charges, and

(c) A review of institutional activities and programs that can be calculated for use in the development of the formulas.

There shall be included in the final report the institutional responses to the studies and their recommendations and the recommendations of the advisory conference of presidents. Nothing in this chapter shall prevent or prohibit the governor, the legislature, the council on higher education, or the governing board of any institution of higher education from requesting or recommending deviations from any applicable formula or formulas prescribed by the council on higher education and advancing reasons and arguments in support of them. The individual institutions' budget requests, including tuition and registration fee schedules for all categories of students, along with council recommendations shall be submitted to the governor through the department of finance not later than November 15 of each odd numbered year. *The council shall submit a separate budgetary recommendation for the University of Kentucky community college system.*

(5) Review and approve all capital construction projects the cost of which exceeds *two hundred thousand dollars ($200,000)* [~~one hundred thousand dollars ($100,000)~~] approved by the governing boards of the state-supported institutions of higher education prior to the institutions' submission of such projects to the department of finance and/or state property and buildings commission.

(6) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties.

(7) Publish annually a report of the educational and financial affairs of the institutions and disseminate other information relating to higher education.

(8) Define and approve the offering of all higher education associate, baccalaureate, graduate, and professional degree or certificate programs in the state-supported higher education institutions; review proposals and make recommendations to the governor regarding the establishment of new state-supported community colleges and new four-year colleges. Provided, nothing in KRS 164.010, 164.020, 164.125, and 164.290 to 164.295 shall be construed to grant the council on higher education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

(9) Approve the teacher education programs in the public institutions.

(10) Elect a chairman annually from the voting membership and appoint an executive director and such staff as may be needed and fix their compensation without limitation of the provisions of KRS chapter 18 and KRS 64.640 subject to the approval of the commissioner of personnel and the secretary of the department of finance.

(11) Constitute the representative agency of the Commonwealth in all matters of higher education of a general and statewide nature which are not otherwise delegated to one or more institutions of higher learning. Such responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes but is not limited to contractual arrangements for programs of research, specialized training, and cultural enrichment.

(12) Develop procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate after July 15, 1980. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee.

SECTION 5. A NEW SECTION OF KRS 164 IS CREATED TO READ AS FOLLOWS:

The president or chief executive officer of each four (4) year state institution of higher learning shall serve on an advisory conference for the council on higher education. The advisory conference of presidents will receive the full agenda for each meeting of the council a reasonable time prior to the council meeting and, in the event of viewpoints differing from the council on higher education, an elected spokesperson for the conference may meet with the council and the executive committee to present before the council the institutional positions on such issues. At least once each year the council on higher education will meet with the advisory conference of presidents.

Section 6. KRS 164.820 is amended to read as follows:

(1) The government of the University of Louisville is vested in a board of trustees consisting of *seventeen (17)* [~~fifteen (15)~~] competent citizens of Kentucky appointed by the governor; one (1) member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government; a member of the permanent staff of the University of Louisville who shall be the chief executive of the staff senate; and a student member who shall be the president of the student body; however, if the student body president is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member. The faculty member, staff member and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. The *seventeen (17)* [~~fifteen (15)~~] citizen members of the board shall annually elect one of their number to serve as chairman of the board.

(2) To facilitate transition of the University of Louisville to full status as a state institution, terms of members of the board of trustees in office on July 1, 1970, shall be terminated as of that date or as of the date their successors are appointed and qualify, and their successors shall be appointed by the governor according to the following schedule:

(a) Two (2) for one (1) year terms;

(b) Two (2) for two (2) year terms, one (1) of which shall be an alumnus or alumna of the university, selected from a list of three (3) names submitted by the alumni of the university in such manner and according to rules prescribed by the board of trustees;

(c) Three (3) for three (3) year terms;

(d) Eight (8) for four (4) year terms, one (1) of whom shall be an alumnus or alumna of the university, selected as under subsection (2)(b) of this section.

(3) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in subsection (2) of this section, successors shall be appointed by the governor for terms of four (4) years each, except that whenever a term expires after July 15, 1980, the member appointed by the governor to fill the vacancy shall be appointed for a six (6) year term, and in making such appointments the governor shall observe the requirements relating to nominations by the alumni members. Subject to such requirements the governor shall make his appointments from the state at large so as to divide the citizen representation upon the board as nearly equally as possible between the two (2) leading political parties in this state.

(4) Vacancies among the citizen members of the board occurring by death, resignation, removal of residence from the Commonwealth or any other cause shall be filled by appointments made by the governor for the expiration of the term, subject to the qualifications set forth in subsection (3) of this section.

(5) No member of the teaching or administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty, staff and student members.

(6) Subsection (2) of KRS 63.080 is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

Section 7. KRS 230.220 is amended to read as follows:

(1) There is hereby created the Kentucky state racing commission which shall be an independent agency of state government. The commission shall consist of *nine (9)* [~~five (5)~~] members *seven (7)* [~~all~~] of whom shall be appointed by the governor. *One (1) member shall be appointed by the president pro tempore of the senate and one (1) member shall be appointed by the speaker of the house of representatives. In making appointments, the governor shall secure broad representation within the thoroughbred industry, to include appointment of no fewer than two (2) breeders, no fewer than two (2) horsemen, and the geographic areas in which licensed racing associations are located shall be considered. Recommendations for said appointments shall be sought from various industry groups, to include the Kentucky thoroughbred owners and breeders, the Kentucky division of the horsemen's benevolent and protective association, and other interested organizations.* [~~Not less than three (3) of the members shall be breeders of thoroughbred horses in Kentucky, no two (2) of the members shall be directors of the same racing association and~~] At least one (1) of the members *appointed by the governor* shall have no financial interest in the business or industry regulated. *The seven (7) members appointed by the governor shall serve a term beginning July 1, 1982, and ending January 1, 1984, or shall serve until their successors are appointed and duly qualified. Thereafter, the seven (7) members appointed by the governor shall serve a term of four (4) years or until their successors are appointed and duly qualified. The members appointed by the president pro tem of the senate and the speaker of the house shall serve a term of four (4) years beginning July 1, 1982, and shall serve until their successors are appointed and duly qualified* [~~Commissioners shall be appointed for a term of four (4) years and until their successors are appointed and qualified~~]. Any vacancy on the commission shall be filled *pursuant to the requirements and procedures for original appointments* [~~by the governor for the unexpired term~~]. [~~Each commissioner shall be eligible for reappointment in the discretion of the governor.~~] Commissioners shall receive fifty dollars ($50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The commission shall designate one (1) of their number as chairman and another as vice chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(2) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of such offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be permitted to attend any meetings. A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

Section 8. KRS 230.620 is amended to read as follows:

(1) The Kentucky harness racing commission shall be an agency independent of state administrative departments and shall be in the public protection and regulation cabinet.

(2) The commission shall consist of *nine (9)* [~~five (5)~~] persons [~~appointed by the governor. At least one (1) of the members shall have no financial interest in the business or industry regulated~~]. *The governor shall appoint seven (7) members and at least one (1) of these members shall have no financial interest in the business or industry regulated. The president pro tem of the senate shall appoint one (1) member and the speaker of the house shall appoint one (1) member. The seven (7) members appointed by the governor shall serve a term beginning July 1, 1982, and ending January 1, 1984, or shall serve until their successors are appointed and duly qualified. Thereafter, the seven (7) members appointed by the governor shall serve a term of four (4) years or until their successors are appointed and duly qualified. The members appointed by the president pro tem of the senate and the speaker of the house shall serve a term of four (4) years*

beginning July 1, 1982, and shall serve until their successors are appointed and duly qualified [~~The members of the commission shall hold their offices for a term of four (4) years. The members of the commission shall choose from their number a chairman and a vice chairman~~].

(3) The commission shall biennially make a full report to the general assembly of its proceedings for the two-year period ending December 1 preceding the meeting of the general assembly, and shall embody in the report such suggestions and recommendations as it deems desirable.

(4) The commission may appoint one (1) or more deputy commissioners and assistant deputy commissioners who shall perform such duties as prescribed by the commission.

(5) [~~The presently appointed members of the Kentucky trotting commission shall constitute the initial members of the Kentucky harness racing commission until their current terms expire in 1976 and their successors have been duly appointed and qualified.~~

~~(6)~~] The members of the commission shall receive fifty dollars ($50) per day for each commission meeting they attend.

Section 9. KRS 344.510 is amended to read as follows:

(1) There is hereby established the Kentucky commission on women as a separate administrative body of state government within the meaning of KRS chapter 12.

(2) The membership of the commission shall consist of *the lieutenant governor and* not more than twenty-four (24) members and a chairman who shall be appointed by the governor. The members of the commission shall serve terms of four (4) years; except that of the members initially appointed after June 17, 1978, six (6) members shall serve a term of one (1) year, six (6) a term of two (2) years, six (6) a term of three (3) years and six (6) a term of four (4) years. The governor shall appoint a chairman who shall serve at the governor's will. There shall be an executive director, who shall be appointed by the governor, and shall be administrative head and chief executive officer of the commission. The governor, in appointing the commission, shall attempt to insure, insofar as it may be practicable, and with due regard to the several geographic regions and socio-economic groupings of the state, that the membership is broadly representative of the women of the state. The commission shall meet at the call of the chairman, but at least twice during each calendar year; a majority of the members shall constitute a quorum for the transaction of the commission's business.

Section 10. The General Assembly confirms the reorganization of agencies and statutory administrative departments effected by executive orders to the extent that such reorganizations are not otherwise confirmed by this Act, as follows:

(1) Department of Revenue.

(a) Transferred various units and a division (Executive Order 80-772);

(b) Transferred the administration and collection of the motor fuel use tax from the department of transportation to the department of revenue, transferred a unit, and reorganized a division (Executive Order 81-127);

(c) Reorganized the department, creating a bureau, various positions and divisions, and abolished various bureaus and divisions (Executive Order 81-491).

(d) Abolished the office of internal security (Executive order 81-993).

(2) Department of Labor.

(a) Consolidated the divisions of management information systems and research, fiscal and personnel and services into a division of administrative services (Executive Order 80-304);

(b) Consolidated the division of labor standards and the office of labor management and relations in a division of employment standards and mediation (Executive Order 80-414).

(3) Department of Insurance. Created a state risk and insurance services division and a financial standards and examination division and abolished the company admissions division (Executive Order 81-233).

(4) Department of Banking. Created a division of general administration, an office of general counsel and renamed the division of banking affairs the division of financial institutions (Executive Order 81-45).

(5) State Fair Board. Established the position of vice president for operations and abolished the position of vice president for operations/production and established a division of admission control (Executive Order 81-138).

(6) Office of the Secretary to the Governor's Executive Cabinet. Created the office of the secretary to the governor's executive cabinet (Executive Order 81-953).

(7) Office of the Governor. Established the office of special advisor to the governor (Executive order 81-566).

(8) Office of the Attorney General.

(a) Transferred the Kentucky Travel Assistance Board from Tourism to the office of the Attorney General (Executive Order 80-131);

(b) Transferred Welfare Fraud and Controlled Substances investigative function from the Department for Human Resources to the Attorney General's Office (Executive order 80-415);

(c) Merged Environmental Law Division with the Division of General Legal Services (Executive Order 81-68);

(d) Merged Consumer Protection Division with the Division of Consumer Intervention (Executive order 81-674).

Section 11. The following KRS sections are repealed:

164.022 Center for education statistics.

164.024 Office of geriatrics — Gerontology created in council — Administrator's qualifications — Duties.

Section 12. Whereas, the preparation of the required formulas for the next biennium will require extensive hearings and research, an emergency is declared to exist and this Act shall become effective upon its passage and signature of the Governor.

Committee Amendment No. 1 to **SB 168** is as follows:

Amend printed copy of **SB 168,** page 3, line 4, after the word "large" and before the comma by adding the following: "*which shall include a student member, who shall be enrolled as a full-time student at a state public institution of higher education, shall be a resident of the Commonwealth as determined by the residency guidelines of the council, and shall be elected annually in the following manner: not later than July 1 of each year the president of the student body of each four-year state public institution of higher education shall submit to the governor one (1) nominee; from this list of nominees, the governor shall appoint a student member*"

page 3, line 13, after the word "years" and before the comma by adding the following: "*except for the student member who shall serve a one (1) year term*"

page 3, line 14, after the word "of" by deleting "*five (5)*" and adding "*four (4)*"

SB 175, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.

9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) [~~Turnpike authority of Kentucky.~~
~~(c)~~] Capital plaza authority.
(c)[~~(d)~~] Kentucky pollution abatement authority.
(d)[~~(e)~~] Kentucky health and geriatric authority.
(e)[~~(f)~~] Kentucky savings bond authority.
(f)[~~(g)~~] Spindletop foundation.
(g)[~~(h)~~] Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
(c) Turnpike authority of Kentucky.
(d) Kentucky housing corporation.
(e) Kentucky airport zoning commission.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.

21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
[~~(a) Kentucky housing corporation.~~]
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 2. KRS 174.015 is amended to read as follows:

There is established within the department a bureau of highways, [~~and~~] a bureau of vehicle regulation, *a bureau of administration and legal affairs and an office of comptroller, which units in addition to the office of the secretary* [~~. These bureaus~~] shall constitute the major organizational units within the department. Each bureau shall be headed by a commissioner appointed by the governor on recommendation of the secretary *and the office of the comptroller shall be headed by a comptroller appointed by the secretary and approved by the governor. Each* [~~The~~] commissioner *and the comptroller* shall perform such functions, powers and duties as provided by law and as the secretary shall prescribe and shall be directly responsible to the secretary.

Section 3. KRS 174.020 is amended to read as follows:

The department of transportation in addition to the bureaus set forth in KRS 174.015 shall consist of the following organizational units which are hereby created or re-established:

(1) Office of the secretary of transportation comprised of the secretary of transportation, *deputy secretary, deputy secretary for legal affairs, equal employment opportunity staff and project coordinator* [~~office of transportation safety coordinator, office of transportation planning, the aeronautics and airport zoning programs, the budget and audit review functions, equal opportunity employment, public affairs~~];

(2) Railroad commission, attached to the office of the secretary for administrative purposes;

(3) [~~Office of the general counsel;~~
~~(4)~~] Office of *comptroller* [~~personnel management~~];
[~~(5) Office of;~~]

(4) Kentucky housing corporation, attached to the office of the secretary for administrative *purposes* [~~services~~].

Section 4. KRS 174.025 is amended to read as follows:

There is established within the department the office of general counsel which shall be headed by the general counsel who shall be appointed pursuant to KRS 12.210. The general counsel, as legal counsel for the department, shall be directly responsible to the *deputy* secretary *for legal affairs* and shall perform such duties as may be assigned by the *deputy* secretary *for legal affairs.*

Section 5. KRS 175.430 is amended to read as follows:

(1) The governor, the lieutenant governor, the commissioner of highways, the state highway engineer, *the secretary of development, the secretary of transportation,* and the attorney general, and their respective successors in office, shall be a body corporate and politic constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of "The Turnpike Authority of Kentucky," with perpetual succession and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this chapter, all of the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as such members.

(3) *Four (4)* [~~Three (3)~~] members of the authority shall constitute a quorum for the transaction of business, and in the absence of a quorum, one (1) or more members may adjourn from time to time until a quorum is convened. *Each member may designate in writing a proxy for the transaction of business.* Within ninety (90) days from March 25, 1960, the authority shall convene and organize. The governor shall, by virtue of his office, be the chairman of the authority and the lieutenant governor shall in like manner be the vice-chairman. The authority shall elect a secretary and a treasurer who shall not be members of the authority, each of whom shall serve at the pleasure of the authority and shall receive such compensation as may be determined by the authority with approval of the commissioner of personnel to be paid from the budgeted funds of the bureau. The treasurer shall give bond to the authority and the Commonwealth conditioned upon his faithful accounting for all funds coming into his custody from time to time, the same to be in such amount as the authority may prescribe, with corporate surety given by a surety company qualified to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office in premises which shall be provided for that purpose by the bureau of highways without cost to the authority; and the secretary of the authority shall at all times maintain therein complete records of all of the authority's actions and proceedings, which shall constitute public records open to inspection at reasonable times.

Section 6. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) State planning committee;
(2) Kentucky health and geriatric authority;
(3) [~~Turnpike authority of Kentucky;~~
~~(4)~~] State property and buildings commission;
[~~(5) Kentucky housing corporation;~~]
(4)[~~(6)~~] Kentucky pollution abatement authority;
(5)[~~(7)~~] Capital plaza authority;
(6)[~~(8)~~] Kentucky savings bond authority;
(7)[~~(9)~~] County officials compensation board;
(8)[~~(10)~~] Kentucky public employes deferred compensation board;
(9)[~~(11)~~] Governor's design advisory council.

SECTION 7. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

(1) The department of justice, bureau of state police, shall:

(a) Coordinate all efforts of the state's various departments and agencies to promote traffic safety and make recommendations regarding the prevention of unnecessary duplications of these efforts; and

(b) Cooperate with all organizations, public or private, in the encouragement and promotion of traffic safety education in all forms; and

(c) Receive, control and expend, in accordance with the general provisions of the Kentucky Revised Statutes governing financial administration of all state agencies, grants and funds from either public or private sources.

(2) There are hereby transferred to and vested in the bureau of state police all functions, powers, duties, funds, personnel, equipment and supplies relating to the administration of the National Highway

Safety Act of 1966 in Kentucky, which responsibility and authority have been conferred upon the department of transportation.

Section 8. The General Assembly confirms the reorganization of agencies and statutory administrative departments affected by Executive Orders to the extent that such reorganizations are not otherwise confirmed by the Act, as follows:

(1) Affecting the Department of Transportation and Department of Finance. Ratify and confirm Executive Order 81-287 in its entirety transferring the Turnpike Authority of Kentucky from administrative attachment to the Department of Finance to the Department of Transportation. Executive Order 80-592 which was specifically superseded by Executive Order 81-287 is not ratified or confirmed.

(2) Affecting the Department of Transportation and the Turnpike Authority of Kentucky. Ratify and confirm Executive order 80-500 adding the Secretary of Transportation to the Authority.

(3) Affecting the Department of Transportation and the University of Kentucky. Ratify and confirm Executive Order 80-1069 abolishing the Office and position of Assistant State Highway Engineer for Research and the Division of Research within the Department of Transportation and assigning the functions of these units to the University of Kentucky to be performed by contract with the University.

(4) Affecting the Department of Transportation and Department of Finance. Ratify and confirm Executive Order 81-26 in its entirety transferring the operation and control of printing and duplicating plants and equipment necessary to perform printing services for the Department of Transportation in the Frankfort area from the Department of Finance to the Department of Transportation.

(5) Affecting the Department of Transportation, Department of Finance, and Cabinet for Public Protection and Regulation. Ratify and confirm Executive Order 81-108 in its entirety transferring administrative attachment of the Kentucky Housing Corporation from the Department of Finance under KRS 42.016 and the Cabinet for Public Protection and Regulation under KRS 12.020 to the Department of Transportation.

(6) Affecting the Department of Transportation and the Department of Revenue. Ratify and confirm Executive Order 81-127 in its entirety transferring the administration and collection of motor fuels use tax and the administration of all statutes pertaining to motor fuels use tax from the Department of Transportation to the Department of Revenue.

(7) Department of Transportation. Internal reorganization of the Department of Transportation to:

(a) Ratify and confirm Executive Order 80-391 in its entirety abolishing the rail division and its rail safety inspection and construction programs, and transferring functions of the Railway Highway Grade Crossing Safety Program to the Division of Design.

(b) Ratify and confirm Executive Order 80-412 in its entirety abolishing the Phototechnic section to the Division of Design.

(c) Ratify and confirm Executive Order 80-692 to the extent that the Department of Transportation is the "designated state agency" under the 1976 Federal Railroad Revitalization and Regulatory Reform Act, and that the Division of Mass Transportation should administer the Rail Service Plan required by said federal act. Executive Order 80-692 is not ratified and confirmed to the extent that it recognizes the Rail Service Plan as being developed by the Office of Planning and Programming in the Department of Transportation, said office being abolished by Executive Order 81-132.

(d) Ratify and confirm Executive Order 80-741 to the extent that it re-establishes twelve (12) highway district offices and assigns each county to a highway district with the district office to be headed by a district manager designated by the Secretary of Transportation and responsible to the Secretary of Transportation and the Commissioner of Highways. Ratify and confirm Executive Order 80-741 to the extent that it authorizes the Secretary and Commissioner of Highways to reassign functions and personnel to any District Office and to combine any two (2) or more counties for the purpose of performing functions of the Department of Transportation. Executive Order 80-741 is not ratified or confirmed with regard to the ability of the Secretary to designate an Assistant District Manager.

(e) Ratify and confirm Executive Order 80-777 in its entirety transferring the function of licensing motorboats from the Division of Driver Licensing to the Division of Motor Vehicle Tax and changing the name of the Division of Motor Vehicle Tax to Division of Motor Vehicle Licensing Section of the Division of Mass Transportation.

(f) Ratify and confirm Executive Order 81-132 with the following exceptions:

(1) The Bureau of Administration and Legal Affairs is established headed by a Commissioner appointed by the Secretary and approved by the Governor.

(2) The Office of Legal Affairs established by Executive Order 81-132 is abolished. The statutory Office of General Counsel (KRS 174.025) shall be attached for administrative purposes to the newly established Bureau of Administration and Legal Affairs.

(3) The Division of Utilities and Division of Right of Way are attached to the Bureau of Administration and Legal Affairs.

(4) The Office of Administration, consisting of the Division of Management Services, Division of Property and Supply and Division of Personnel, is attached to the newly established Bureau of Administration and Legal Affairs.

(5) The Division of Toll Facilities, Division of Transportation Services and Division of Purchases, identified by Executive Order 81-132 as attached to the Bureau of Highways.

(g) Executive Order 81-797 which abolished the Office of Federal Highway Safety Standards and position of Federal Highway Safety Standards coordinator and assigned the functions, programs and responsibilities of the office to the newly established Highway Safety Standards Section of the Division of Mass Transportation is not ratified and confirmed due to the desirability of transferring this function to the Department of Justice, Bureau of State Police, as provided in Section 7 of this Act.

(h) Executive Order 80-621 establishing the Office of Planning and Programming specifically superseded by Executive Order 81-132 is not ratified and confirmed.

SB 177, AN ACT relating to peace officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.150 is amended to read as follows:

The attorney general may employ such stenographic, *investigative* and other clerical help for the use and benefit of his department as he deems necessary for the proper conduct of his office, within the limits of appropriations made for that purpose. *Investigative personnel as designated by the attorney general shall have the power of peace officers.*

SB 233, AN ACT relating to housing, buildings and construction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.010 is amended to read as follows:

As used in this chapter, unless otherwise provided:

(1) "Assembly occupancy" means the occupancy or use of a building or structure or any portion thereof by a gathering of persons for civic, political, travel, religious, social or recreational purposes, including among others:

(a) Armories;
(b) Assembly halls;
(c) Auditoriums;
(d) Bowling alleys;
(e) Broadcasting studios;
(f) Chapels;
(g) Churches;
(h) Clubrooms;
(i) Community buildings;
(j) Courthouses;
(k) Dance halls;
(l) Exhibition rooms;
(m) Gymnasiums;
(n) Hotels;
(o) Lecture rooms;
(p) Lodge rooms;
(q) Motels;
(r) Motion picture theaters;
(s) Museums;
(t) Night clubs;
(u) Opera houses;
(v) Passenger stations;
(w) Pool rooms;
(x) Recreation areas;
(y) Restaurants;
(z) Skating rinks;
(aa) Television studios;
(bb) Theaters.

(2) "Attic" means the space between the ceiling beams of the top habitable story and the roof rafters.

(3) "Basement" means that portion of a building the average height of which is at least half below grade, which is ordinarily used for purposes such as storage, laundry facilities, household tool shops, and installation and operation of heating, cooling and ventilating facilities, but which is not ordinarily used for purposes of general household habitation.

(4) "Building" means any combination of materials, whether portable or fixed, which comprises a structure *or non-mine underground area* affording facilities or shelter for any human occupancy, whether infrequent or regular. The word "building" shall be construed wherever used herein as if followed by the words "or part or parts thereof and all equipment therein" unless the context clearly requires a different meaning. "Building" shall also mean swimming pools constructed below grade on site, but not swimming pools assembled above grade on site. "Building" shall not mean a mobile home, or a farm dwelling or other farm buildings and structures incident to the operation and maintenance of the farm if such farm structures are located outside the boundary of a municipality and are not used in the business of retail trade or used as a place of regular employment for ten (10) or more people or structures used in the storage or processing of timber products. This chapter shall not apply to any single family dwelling except those sold or constructed under a trade or brand name.

(5) Any city, county or urban-county government of the Commonwealth may extend, by ordinance, the application of this chapter to those single family dwellings exempted under subsection (4) of this section, but may not enforce any building code other than the uniform state building code on such dwellings.

(6) Nothing in this chapter shall be construed to exempt single family dwellings from those provisions of the uniform state building code that relate to the national electric code and the state plumbing code.

(7) "Business occupancy" means the occupancy or use of a building or structure or any portion thereof for the transaction of business, the rendering or receiving of professional services, or the displaying, selling or buying of goods, wares, or merchandise, or the housing of vehicles of transportation, except where occupancy is of high hazard, including among others:

(a) Banks;
(b) Barber shops;
(c) Beauty parlors;
(d) Department stores;
(e) Garages;
(f) Markets;
(g) Service stations;
(h) Offices;
(i) Stores;
(j) Radio stations;
(k) Telephone exchanges;
(l) Television stations.

(8) "Commissioner" means the commissioner of housing, buildings and construction.

(9) "Construction" means the erection, fabrication, reconstruction, substantial alteration or conversion of a building, or the installation of equipment therein.

(10) "Department" means the department of housing, buildings and construction.

(11) "Educational occupancy" means the occupancy or use of a building or structure or any portion thereof by persons assembled for the purpose of learning or of receiving educational instruction, including among others:

(a) Academies;
(b) Care centers;
(c) Colleges;
(d) Kindergartens;
(e) Libraries;
(f) Pre-schools;
(g) Relocatable classroom unit;
(h) Schools;
(i) Seminaries;
(j) Universities.

(12) "Equipment" means facilities or installations, including but not limited to, heating, electrical, ventilating, air conditioning, and refrigerating facilities or installations.

(13) "High hazard occupancy" means the occupancy or use of a building or structure or any portion thereof that involves highly combustible, high flammable or explosive materials or which has inherent characteristics that constitute a special fire hazard, including among others:

(a) Aluminum powder factories;
(b) Charging or filling stations;

(c) Distilleries;
(d) Dry cleaning plants;
(e) Dry dyeing plants;
(f) Explosive-manufacture, sale or storage;
(g) Flour and feed mills;
(h) Gasoline bulk plants;
(i) Grain elevators;
(j) Lacquer factories;
(k) Liquefied petroleum gas;
(l) Mattress factories;
(m) Paint factories;
(n) Pyroxylin-factories, or warehouses;
(o) Rubber factories.

(14) "Industrial occupancy" means the occupancy or use of a building structure or any portion thereof for assembling, fabricating, finishing, manufacturing, packaging or processing operations, except for occupancies of high hazard, including among others:

(a) Assembly plants;
(b) Creameries;
(c) Electrical substations;
(d) Factories;
(e) Ice plants;
(f) Laboratories;
(g) Laundries;
(h) Manufacturing plants;
(i) Mills;
(j) Power plants;
(k) Processing plants;
(l) Pumping stations;
(m) Repair garages;
(n) Smokehouses;
(o) Workshops.

(15) "Industrialized building system" means any structure or component thereof which is wholly or in substantial part fabricated in an off-site manufacturing facility for installation or assembly on a permanent foundation at the building site.

(16) "Institutional occupancy" means the occupancy or use of a building or structure or any portion thereof by persons harbored or detained to receive medical, charitable or other care or treatment, or by persons involuntarily detained, including among others:

(a) Asylums;
(b) Homes for the aged;
(c) Hospitals;
(d) Houses of correction;
(e) Infirmaries;
(f) Jails;
(g) Nursing homes;
(h) Orphanages;
(i) Penal institutions;
(j) Reformatories;
(k) Sanitariums;
(l) Nurseries.

(17) "Mobile home" means mobile home as defined in KRS 227.550(1).

(18) "Story" means that part of a building comprised between a floor and the floor or roof next above which is not a basement or an attic.

(19) "Physically handicapped person" means a person confined to a wheelchair; a person who uses braces or crutches; a person who because of the loss of a foot or leg or because of an arthritic, spastic, pulmonary or cardiac condition, walks with difficulty or insecurity; a person who suffers from a faulty coordination or palsy; a person who is blind or whose sight is so impaired that, functioning in a public area, he is insecure or exposed to danger; a person whose hearing is so impaired that he is unable to hear warning signals; and a person whose mobility, flexibility, coordination and perceptiveness are significantly reduced by aging.

(20) "Facility for physically handicapped persons" means any convenience or device which facilitates the health, safety or comfort of a handicapped person, including, but not limited to, ramps, handrails, elevators, and doors.

The Committee on Appropriations and Revenue reported **HB 810,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 810, AN ACT relating to motor vehicle taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means *department of revenue* [~~bureau of vehicle regulation~~];

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets. alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) *(a)*"Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any *commercial* truck or *commercial* tractor-trailer combination [~~having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;~~

~~(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane~~];

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a *farm vehicle as defined in KRS 186.050(4) or a* city bus except city buses operated across the border of the state of Kentucky;

(c) "Commercial" refers to any activity for business purposes.

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

Section 2. KRS 138.660 is amended to read as follows:

(1) Every motor carrier shall pay a tax at the rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on the amount of gasoline and at the same rate on the amount of special fuels *and liquefied petroleum gas motor fuels* used in operations on the public highways of this state.

(2) *(a)* In addition to the tax imposed in subsection (1) of this section, *every* [~~if the~~] motor carrier [~~is a heavy equipment motor carrier as defined in KRS 138.655, he~~] shall pay a *weight distance tax* [~~surtax at the rate of two percent (2%) of the average wholesale price as provided in subsection (1),~~] on the amount of gasoline, [~~and~~] special fuels *and liquefied petroleum gas motor fuels* used in operations on public highways of this state.

(b) The weight distance tax shall be computed as follows on the combined licensed weight of the motor vehicle or motor vehicle and trailers or semi-trailers as defined in KRS 138.655:

1. *For combined licensed weights of 0 to 15,000 the rate shall be .56 cents per mile;*
2. *For combined licensed weights of 15,001 to 30,000 the rate shall be 1.84 cents per mile;*
3. *For combined licensed weights of 30,001 to 45,000 the rate shall be 3.98 cents per mile;*
4. *For combined licensed weights of 45,001 to 60,000 the rate shall be 3.25 cents per mile;*
5. *For combined licensed weights in excess of 60,001 the rate shall be 3.80 cents per mile.*

(3) The tax levied under subsections (1) and (2) of this section shall be computed and paid as provided in KRS 138.690.

Section 3. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the *department* [~~bureau~~] may issue a trip permit for each motor vehicle for a fee of *twenty* [~~ten~~] dollars *($20.00)* [~~($10.00)~~] for each permit.

(2) Application for a license or trip permit shall be made to the *department* [~~bureau~~] and shall contain such information as the *department* [~~bureau~~] deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the *department* [~~bureau~~] a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the *department* [~~bureau~~] shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the *department* [~~bureau~~], or if the *department* [~~bureau~~] is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the *department* [~~bureau~~] may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The *department* [~~bureau~~] shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the *department* [~~bureau~~].

Section 4. KRS 138.670 is amended to read as follows:

(1) Every motor carrier and heavy equipment motor carrier shall file with the department a corporate bond, [~~cash bond or securities~~] approved by the department in the minimum amount of one thousand dollars ($1,000) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 138.655 to 138.725 [~~but not to exceed fifty thousand dollars ($50,000)~~]. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under KRS 138.655 to 138.725, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 138.655 to 138.725.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

(3) If, upon hearing of which the licensee shall be given ten (10) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties and interest for which the licensee is or may become liable, the licensee shall forthwith, upon written demand of the department, file an additional bond in the same manner and form with surety

thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department, a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The department shall promptly, on receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty (60) day period, file with the department a new bond with surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Section 5. KRS 138.685 is amended to read as follows:

(1) Every licensee shall file with the department, on forms prescribed by the department, a quarterly tax return. The return shall be made under penalty of perjury and shall show such information as the department may require. The licensee shall file the return on or before the last day of the next succeeding calendar month following the quarterly period to which it relates.

(2) The quarterly tax return shall be accompanied by a remittance covering the tax due. *If no taxes are due, the report shall so state.*

Section 6. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1) and (2) of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline, [~~and~~] special fuels *and liquefied petroleum gas motor fuel* purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220, [~~and~~] KRS 138.565 *and KRS 234.320* has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the *department* [~~bureau~~] shall be furnished by each such licensee claiming the credit herein allowed.

(2) The *department* [~~bureau~~] shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the *department* [~~bureau~~] during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the *department* [~~bureau~~] within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the *department* [~~bureau~~], the cost to the *department* [~~bureau~~] of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the *department* [~~bureau~~] shall prescribe what records must be kept by the licensee or any other person and the *department* [~~bureau~~] shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 7. KRS 138.705 is amended to read as follows:

(1) The department may audit the books and records of each licensee who has at any time since the last audit was made applied for a credit or refund thereunder and make such other investigations as it deems necessary to determine whether the credits or refunds applied for constitute proper claims.

(2) If gasoline, [~~or~~] special fuels, *or liquefied petroleum gas motor fuel* taxes are erroneously credited or refunded, the department shall advise the licensee of the erroneous credit or refund. If the licensee fails to reimburse the Commonwealth within fifteen (15) days after the receipt of notice, an action may be instituted by the department in the Franklin Circuit Court and the department shall recover from the licensee the amount of the erroneous credit or refund plus a penalty of twenty per cent (20%).

SECTION 8. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

Whenever the department determines that a carrier has not reported and paid the correct amount of tax due under Section 2 of this Act there shall be paid, in addition to the penalties levied by KRS 138.715;

(1) A late payment charge equal to ten percent (10%) of the amount of the underpayment;

(2) If the underpayment exceeds by at least five percent (5%) but not more than fifteen percent (15%) of the amount of the tax reported and paid, a penalty of five percent (5%) of the amount of the underpayment shall be added thereto in addition to the ten percent (10%) late payment charge provided in subsection (1) of this section.

(3) If the underpayment exceeds by more than fifteen percent (15%) the amount of the tax reported and paid, a penalty of twenty percent (20%) shall be added thereto in addition to the ten percent (10%) late payment charge provided in subsection (1) of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

The department of revenue shall adopt regulations pursuant to KRS Chapter 13 for the enforcement of KRS 138.655 to KRS 138.725.

SECTION 10. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) Funding for the implementation and administration of the tax levied by Section 2 of this Act shall be provided from the transportation fund of the department of transportation. The department of transportation shall transfer from the transportation fund to a trust and agency fund account in the department of revenue amounts sufficient to provide for the financing of administrative and auditing expenses required in this Act in quarterly allotments, the first allotment to be paid on July 1, 1982. The department of transportation shall transfer each quarterly allotment on the first day of that quarter.

(2) The department of revenue is authorized to accept for deposit in a trust and agency fund account amounts transferred under subsection (1) of this section from the department of transportation, to administer the tax imposed by Section 2 of this Act.

(3) The department of revenue shall determine the amount of funds transferred into the trust and agency fund account referred to in subsections (1) and (2) of this section based upon the department of revenue's present needs, projected needs, or any surplus or deficiency in amounts previously paid into the trust and agency fund account.

(4) Whenever practicable, and in no event later than three (3) years after any report of taxes is filed, the department of revenue shall audit it if such audit is deemed necessary or practicable.

Committee Substitute to **HB 810** is as follows:

HB 810, AN ACT relating to motor vehicle taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means *department of revenue* [~~bureau of vehicle regulation~~];

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) *(a)*"Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any *commercial* truck or *commercial* tractor-trailer combination [~~having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;~~

~~(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane~~];

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a *farm vehicle as defined in KRS 186.050(4) or a* city bus except city buses operated across the border of the state of Kentucky;

(c) "Commercial" refers to any activity for business purposes.

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

Section 2. KRS 138.660 is amended to read as follows:

(1) Every motor carrier shall pay a tax at the rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on the amount of gasoline and at the same rate on the amount of special fuels *and liquefied petroleum gas motor fuels* used in operations on the public highways of this state.

(2) *(a)* In addition to the tax imposed in subsection (1) of this section, *every* [~~if the~~] motor carrier [~~is a heavy equipment motor carrier as defined in KRS 138.655, he~~] shall pay a *weight distance tax* [~~surtax at the rate of two percent (2%) of the average wholesale price as provided in subsection (1),~~] on the amount of gasoline, [~~and~~] special fuels *and liquefied petroleum gas motor fuels* used in operations on public highways of this state.

(b) The weight distance tax shall be computed as follows on the combined licensed weight of the motor vehicle or motor vehicle and trailers or semi-trailers as defined in KRS 138.655:

1. *For combined licensed weights of 0 to 14,000, there shall be no tax;*
2. *For combined licensed weights of 14,001 to 32,000 the rate shall be .92 cents per mile;*
3. *For combined licensed weights in excess of 32,000, the rate shall be 1.90 cents per mile.*

(3) The tax levied under subsections (1) and (2) of this section shall be computed and paid as provided in KRS 138.690.

Section 3. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the *department* [~~bureau~~] may issue a trip permit for each motor vehicle for a fee of *twenty* [~~ten~~] dollars *($20.00)* [~~($10.00)~~] for each permit.

(2) Application for a license or trip permit shall be made to the *department* [~~bureau~~] and shall contain such information as the *department* [~~bureau~~] deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the *department* [~~bureau~~] a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the *department* [~~bureau~~] shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the *department* [~~bureau~~], or if the *department* [~~bureau~~] is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the *department* [~~bureau~~] may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The *department* [~~bureau~~] shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the *department* [~~bureau~~].

Section 4. KRS 138.670 is amended to read as follows:

(1) Every motor carrier and heavy equipment motor carrier shall file with the department a corporate bond, [~~cash bond or securities~~] approved by the department in the minimum amount of one thousand dollars ($1,000) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 138.655 to 138.725 [~~but not to exceed fifty thousand dollars ($50,000)~~]. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under KRS 138.655 to 138.725, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 138.655 to 138.725.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

(3) If, upon hearing of which the licensee shall be given ten (10) days' notice in writing, the department decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties and interest for which the licensee is or may become liable, the licensee shall forthwith, upon written demand of the department, file an additional bond in the same manner and form with surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the department, a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The department shall promptly, on receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty (60) day period, file with the department a new bond with surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Section 5. KRS 138.685 is amended to read as follows:

(1) Every licensee shall file with the department, on forms prescribed by the department, a quarterly tax return. The return shall be made under penalty of perjury and shall show such information as the department may require. The licensee shall file the return on or before the last day of the next succeeding calendar month following the quarterly period to which it relates.

(2) The quarterly tax return shall be accompanied by a remittance covering the tax due. *If no taxes are due, the report shall so state.*

Section 6. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1) and (2) of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline, [~~and~~] special fuels *and liquefied petroleum gas motor fuel* purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220, [~~and~~] KRS 138.565 *and KRS 234.320* has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the *department* [~~bureau~~] shall be furnished by each such licensee claiming the credit herein allowed.

(2) The *department* [~~bureau~~] shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the *department* [~~bureau~~] during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the *department* [~~bureau~~] within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the *department* [~~bureau~~], the cost to the *department* [~~bureau~~] of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the *department* [~~bureau~~] shall prescribe what records must be kept by the licensee or any other person and the *department* [~~bureau~~] shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 7. KRS 138.705 is amended to read as follows:

(1) The department may audit the books and records of each licensee who has at any time since the last audit was made applied for a credit or refund thereunder and make such other investigations as it deems necessary to determine whether the credits or refunds applied for constitute proper claims.

(2) If gasoline, [~~or~~] special fuels, *or liquefied petroleum gas motor fuel* taxes are erroneously credited or refunded, the department shall advise the licensee of the erroneous credit or refund. If the licensee fails to reimburse the Commonwealth within fifteen (15) days after the receipt of notice, an action may be instituted by the department in the Franklin Circuit Court and the department shall recover from the licensee the amount of the erroneous credit or refund plus a penalty of twenty per cent (20%).

SECTION 8. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

Whenever the department determines that a carrier has not reported and paid the correct amount of tax due under Section 2 of this Act there shall be paid, in addition to the penalties levied by KRS 138.715;

(1) A late payment charge equal to ten percent (10%) of the amount of the underpayment;

(2) If the underpayment exceeds by at least five percent (5%) but not more than fifteen percent (15%) of the amount of the tax reported and paid, a penalty of five percent (5%) of the amount of the underpayment shall be added thereto in addition to the ten percent (10%) late payment charge provided in subsection (1) of this section.

(3) If the underpayment exceeds by more than fifteen percent (15%) the amount of the tax reported and paid, a penalty of twenty percent (20%) shall be added thereto in addition to the ten percent (10%) late payment charge provided in subsection (1) of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

The department of revenue shall adopt regulations pursuant to KRS Chapter 13 for the enforcement of KRS 138.655 to KRS 138.725.

SECTION 10. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) Funding for the implementation and administration of the tax levied by Section 2 of this Act shall be provided from the transportation fund of the department of transportation. The department of transportation shall transfer from the transportation fund to a trust and agency fund account in the department of revenue amounts sufficient to provide for the financing of administrative and auditing expenses required in this Act in quarterly allotments, the first allotment to be paid on July 1, 1982. The department of transportation shall transfer each quarterly allotment on the first day of that quarter.

(2) The department of revenue is authorized to accept for deposit in a trust and agency fund account amounts transferred under subsection (1) of this section from the department of transportation, to administer the tax imposed by Section 2 of this Act.

(3) The department of revenue shall determine the amount of funds transferred into the trust and agency fund account referred to in subsections (1) and (2) of this section based upon the department of revenue's present needs, projected needs, or any surplus or deficiency in amounts previously paid into the trust and agency fund account.

(4) Whenever practicable, and in no event later than three (3) years after any report of taxes is filed, the department of revenue shall audit it if such audit is deemed necessary or practicable.

Section 11. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ 24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) [~~Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.~~

~~(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a~~

~~railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.~~

~~(10)~~] Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(9)[~~(11)~~] Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(10)[~~(12)~~] The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(11)[~~(13)~~] The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(12)[~~(14)~~] (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

The Committee on Transportation reported **HB 801,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 801, AN ACT relating to the railroad commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 276.060 is amended to read as follows:

(1) The office of the railroad commission shall be at the seat of government.

(2) The commission may appoint a secretary, a stenographer, and such other employes as it may find necessary to the proper performance of its duties and fix the compensation of such employes within the annual appropriation of said commission by the legislature.

(3) The chairman of the commission shall receive a salary of *fifteen thousand dollars ($15,000)* [~~three thousand six hundred dollars ($3,600)~~] per annum, and each of the other commissioners shall receive a salary of *twelve thousand dollars ($12,000)* [~~three thousand dollars ($3,000)~~] per annum. Each commissioner shall receive his actual, necessary traveling expenses while engaged in the discharge of his duties.

(4) The members and employes of the railroad commission, when in the performance of their official duties, shall have the right to free transportation between points in this state on all vehicles of common carriers subject in whole or in part to control or regulation by the commission. Each carrier shall issue to the state, for the use of each member and employe of the commission, written or printed authority entitling them to be transported free of charge over the lines of the carrier when engaged in the discharge of their official duties.

Committee Amendment No. 1 to **HB 801** is as follows:

Amend printed copy of **HB 801,** on page 1, line 11, after the word "of" by deleting the words "*fifteen thousand dollars ($15,000)*" and inserting the words "*ten thousand dollars ($10,000)*" in lieu thereof

and on page 1, line 13, after the word "of" by deleting the word "*twelve*" and inserting the word "*nine*" in lieu thereof

and on page 1, line 14, after the word "*dollars*" by deleting "*($12,000)*" and inserting "*($9,000)*" in lieu thereof

Representative Boswell moved that the rules by suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Barrows, **HR 63;** Representative Boswell, **HB 665;** Representative Donnermeyer, **HR 36, HR 72;** Representative LeMaster, **HB 722;** Representative Schmidt, **HR 75;** Representative B. Smith, **HB 771;** Representative F. Smith, **HB 537.**

Representative P. Clark requested that his name be withdrawn as co-sponsor of **HB 816.**

Representative Priddy moved that **HB 636** be taken from the Clerk's desk and placed in Orders of the Day.

On the roll call the vote was yeas 44-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Craddock, Dawahare, Donnermeyer, Dunn, Gray, Guenthner, Handy, Hines, Holloway, Kidd, Lile, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, B. Smith, Stumbo, Tobin, Van Horn, Williams. Nays 26-Allen, Burnette, Cline, Crupper, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Harper, Holbrook, T. Jones, Layman, LeMaster, Moore, Noland, Overstreet, Patrick, P. Richardson, Riner, Robinson, Schmidt, F. Smith, Todd, Turner.

The motion that **HB 636** be taken from the Clerk's desk and placed in Orders of the Day was adopted.

Representative Clapp moved that the rules be suspended to reconsider the vote on **HB 194,** place it in Orders of the Day, and make it the first order of business for March 17, 1982.

On the roll call the vote was yeas 53-Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Cyrus, Donnermeyer, Dunn, Endicott, Gray, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, Holloway, Kenton, Kidd, Lile, Little, Lundergan, Mann, McNutt, Meyer, Moberly, Morris, Nett, Patrick, Petty, Priddy, Richards, B. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, White, Williams. Nays 33-Allen, Arnold, Barrows, Bendl, Blevins, Burnette, Craddock, Crupper, Curd, Dawahare, Farrow, Ford, Foster, Freibert, Fryman, Hancock, T. Jones, Layman, LeMaster, List, Long, Maggard, McBee, Moore, Noe, Noland, O'Brien, Perkins, Riner, Seum, Tobin, Van Horn, Worthington.

The motion that the rules be suspended to reconsider the vote on **HB 194**, place it in Orders of the Day, and make it the first order of business for March 17, 1982 was adopted.

Representative Clapp moved that the vote on **HB 194** be reconsidered and that it be placed in Orders of the Day as the first order of business for March 17, 1982.

On the roll call the vote was yeas 44-Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Donnermeyer, Dunn, Endicott, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Kidd, Lile, Little, Lundergan, Mann, McNutt, Meyer, Morris, Nett, Patrick, Petty, Richards, Schmidt, B. Smith, Stone, Stumbo, Thomason, White, Williams. Nays 38-Allen, Arnold, Barrows, Bendl, Blevins, Burnette, Craddock, Crupper, Curd, Dawahare, Deskins, Farrow, Ford, Foster, Freibert, Fryman, Hancock, T. Jones, Layman, LeMaster, List, Long, Maggard, McBee, Moore, Noe, Noland, O'Brien, Overstreet, Perkins, Rapier, Rattliff, Riner, Seum, F. Smith, Tobin, Van Horn, Worthington.

The motion that the vote on **HB 194** be reconsidered and that it be placed in Orders of the Day as the first order of business for March 17, 1982, was adopted.

Representative Tobin moved that the rules be suspended to consider Discharge Petition on **HB 523.**

The Speaker ruled a suspension of the rules was not necessary to consider a Discharge Petition.

Representative Tobin moved that the rules be suspended to extend the time of the motion hour to consider the Discharge Petition filed for **HB 523.**

Representative Williams moved that the House adjourn until 2:00 p.m., Wednesday, March 17, 1982.

The Speaker ruled a motion to adjourn was not in order during a roll call.

On the roll call the vote was yeas 25-Burch, Burnette, Craddock, Cyrus, Dawahare, Ellington, Endicott, Ford, Guenthner, Harper, Holbrook, Holloway, Kidd, Lile, Lundergan, Maggard, McNutt, Noland, Pearman, Petty, Riner, Robinson, Seum, Tobin, Worthington. Nays 15-Barrows, Blandford, Boswell, Bronger, Bruce, Deskins, T. Jones, Moberly, Morris, Noe, Patrick, F. Smith, Turner, Van Horn, White.

The motion that the rules be suspended to extend the time for the motion hour was rejected.

Representative Patrick moved that his name be removed as a petitioner on the Discharge Petition for **HB 523.** Agreed.

Announcements

The following meetings were announced.

Committee on Rules: On adjournment, Room 316.

Labor and Industry: On adjournment, Room 104.

Appropriations and Revenue: Fifteen minutes after adjournment.

Judiciary-Civil: Regular meeting, Wednesday.

Business Organizations and Professions: Wednesday, 8:30 a.m., Room 109.

Adjournment

Representative LeMaster moved that the House adjourn until 2:00 p.m., Wednesday, March 17, 1982.

On the roll call the vote was yeas 41-Arnold, Barows, Bendl, Boswell, Brinkley, Burch, Caldwell, Clark, Craddock, Crupper, Curd, Donnermeyer, Ellington, Farrow, Fryman, Gray, Harper, Head, Hines, Johnson, Kenton, Kidd, Layman, Lefevers, McBee, Moberly, Nett, Noe, Noland, Pearman, Petty, Priddy, Rapier, Richards. P. Richardson, B. Smith, F. Smith, Stone, Stumbo, Todd, Worthington. Nays 14-Blevins, Endicott, Ford, Guenthner, Handy, Heleringer, Holloway, Lile, Maggard, Meyer, Moore, Overstreet, Perkins, Robinson.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 17, 1982

FORTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Brother Vance Bowling, Church of Christ, Hyden, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Holloway.

Representative Brinkley moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 16, 1982, be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 154, SB 300, SB 273, HB 378** with Senate Amendments, **HB 486,** and **HB 492** with Senate Amendment.

Introduction of Resolution

HR 92, by Representatives Bennett, Deskins, Gray, Mann, and Cyrus: A RESOLUTION adjourning the House of Representatives in honor and recognition of AFL-CIO Day.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 129.**

Banking and Insurance: **SB 252.**

Cities: **SB 78.**

Education: **SB 364, HR 90.**

Energy: **HR 89, HR 91.**

Natural Resources and Environment: **SB 394.**

State Government: **SB 103, SB 287, HR 88.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary-Civil: **SB 288, SB 289, SB 354, SB 29, HB 524, HB 748.**

Business Organizations and Professions: **HB 790, SB 348.**

Natural Resources and Environment: **SB 386, SB 394.**

Report of Committees

The Committee on Rules reported **HB 264, HB 320, HB 381, HB 538, HB 661, HB 701, HB 806, HB 156, HB 653, HB 659, HB 674, HR 52, HR 69, HCR 73, HJR 54, SB 2, SB 293, SB 39, SB 160,** and **SB 137** have been posted for passage in Orders of the Day, March 18, 1982.

The Committee on Rules reported the following Bills have been recommitted:

Appropriations and Revenue: **HB 277.**

Natural Resources and Environment: **HB 762.**

The Committee on Education reported **HB 749** with Committee Amendment attached thereto, **SB 31,** and **SJR 38** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 749, AN ACT relating to local school district finance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board for elementary and secondary education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) (a) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate[~~, voted general tax rate, or voted building tax rate for 1979-80~~] which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate[~~, voted general tax rate, or voted building tax rate, respectively,~~] that could have been levied in *the previous year* [~~1978-79, to the 1978-79 assessment~~], except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate[~~, a voted general tax rate, or a voted building tax rate~~] which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the *maximum* general tax rate[~~, maximum voted general tax rate, or maximum voted building tax rate, respectively,~~] that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565.

(b) In the event that an election is held as provided for in KRS 132.017 and the question on the ballot should fail, such failure shall not reduce the ". . .general tax rate[~~, maximum voted general tax rate, or maximum voted building tax rate, respectively,~~] that could have been levied in the preceding year. . .", referred to in subsection (2)(a) of this section, for purposes of computing the general tax rate[~~, voted general tax rate, or voted building tax rate~~] for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate[~~, voted general tax rate, or voted building tax rate~~] within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by June 30 of each year, the following:

(a) The general tax rate[~~, voted general tax rate, or voted building tax rate~~] that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced [~~by each~~];

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate[~~, voted general tax rate, or voted building tax rate,~~] and the amount of revenue expected to be produced [~~by each~~];

(c) The general tax rate[~~, voted general tax rate, or voted building tax rate~~] which will produce[~~, respectively,~~] no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 , and the amount of revenue expected to be produced [~~by each~~].

(5) Upon completion of action on property assessment data the department of revenue shall submit to the superintendent of public instruction, certified property assessment data as required in KRS 133.125.

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board for elementary and secondary education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board for elementary and secondary education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board for elementary and secondary education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board for elementary and secondary education, or fails to comply with the law; and the state board for elementary and secondary education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board for elementary and secondary education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board for elementary and secondary education.

(9) Each district board of education shall, if required by the state board for elementary and secondary education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board for elementary and secondary education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate[~~, voted general tax rate, and voted building tax rate~~] levied in the preceding year, and the revenue produced [~~by those rates~~];

2. The general tax rate[~~, voted general tax rate, and voted building tax rate~~] proposed for the current year and the revenue expected to be produced [~~by those rates~~];

3. The compensating general[~~, voted general, and voted building~~] tax rates and the revenue expected [~~from them~~];

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11) (a) That portion of a general tax rate[~~, a voted general tax rate, or a voted building tax rate~~], except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate[~~, voted general tax rate, or voted building tax rate~~], except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 2. KRS 160.477 is amended to read as follows:

(1) (a) Upon request of the board of education of any school district, the county board of elections shall submit to the qualified voters of the district, the question as to whether a special school building tax rate of not less than five cents (5¢) nor more than fifty cents (50¢) as requested by the board shall be levied on each $100 of property subject to local taxation. This tax levy shall be in addition to the maximum school tax levy provided by subsection (2) of KRS 160.470. The income from the tax shall be used for the purchase or lease of school sites and buildings and physical education and athletic facilities, for the erection and complete equipping of new school buildings and physical education and athletic facilities, for the major alteration, enlargement and complete equipping of existing buildings, and physical education and athletic facilities, for the purpose of retiring, directly or through rental payments, school revenue bonds issued for such school improvements, and for the purpose of financing any program for the acquisition, improvement, or building of school improvements. The question shall be so framed that the voter may by his vote answer "for" or "against."

(b) The election shall be held not less than fifteen (15) or more than thirty (30) days from the time the request of the board is filed with the county board of elections, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the school district in all respects as required by the general election laws, and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the school district.

(c) If a majority of those voting on the question favor the special school building tax levy, the tax-levying authority shall, when the next tax rate for the district is fixed, levy the special rate specified for the school building fund in addition to the levy provided by subsection (2) of KRS 160.470.

(2) There may be included, in the maximum levy provided for in subsection (2) of KRS 160.470, a special levy for building fund purposes as authorized by KRS 160.476, which shall be in addition to the levy authorized by vote as provided in subsection (1) of this section.

(3) In addition to or in lieu of this special tax, any board of education may pay into this special fund at the close of any fiscal year the proceeds from the sale of land or property no longer needed for school purposes and allow any balances to remain in the general fund over and above the amount necessary for discharging obligations for the fiscal year in full.

(4) The special fund provided for in subsection (1) of this section shall be kept in a separate account designated as "special voted school building fund." The fund shall be kept in the depository selected by the district board of education, or invested in bonds of the United States, of this state, or of any county or municipality in this state, provided, however, that such investment shall be approved by the state board of education.

(5) All expenditures from such fund shall be made solely for the purposes enumerated in this section and shall be made in accordance with the school laws of the state at such times as the district board of education determines. The district board of education shall cause to be made annually an audit of the building fund by a certified public accountant or by an accountant approved by the state board for elementary and secondary education.

[~~(6) Notwithstanding the provisions of any other subsection of this section to the contrary, for the 1966 tax year and for all subsequent years no district board of education shall levy a tax at a rate under the provisions of this section which exceeds the compensating tax rate as defined in KRS 132.010, except as provided in subsection (7) of this section, and except that a rate which has been approved by the voters~~

~~under this section but which was not levied by the district board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010, and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.~~

~~(7) Notwithstanding the limitations contained in subsection (6) of this section no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS chapters 58 and 162.~~]

Section 3. KRS 157.440 is amended to read as follows:

[~~(1)~~] A district may exceed the maximum provided by subsection (2) of KRS 160.470 provided that, upon request of the board of education of the district, the county board of elections shall submit to the qualified voters of the district, in the manner of submitting and voting as prescribed in paragraph (b) of subsection (1) of KRS 160.477, the question whether a rate which would produce revenues in excess of the maximum provided by subsection (2) of KRS 160.470 shall be levied. If a majority of those voting on the question favor the increased rate, the tax levying authority shall, when the next tax rate for the district is fixed, levy a rate not to exceed the rate authorized by the voters.

[~~(2) For the 1966 tax year and for all subsequent years for levies which were approved prior to December 8, 1965, no district board of education shall levy a tax at a rate under the provisions of this section which exceeds the compensating tax rate as defined in KRS 132.010, except as provided in subsection (3) of this section and except that a rate which has been approved by the voters under this section but which was not levied by the district board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010, and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.~~

~~(3) Notwithstanding the limitations contained in subsection (2) of this section no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS chapter 162.~~

~~(4) The superintendent of public instruction shall certify the compensating tax rate to the levying authorities.~~]

Section 4. KRS 160.475 is amended to read as follows:

(1) Except as otherwise provided in KRS 160.470(2) *and*[~~;~~] 160.476(4) [~~and 160.477(6)~~] the ad valorem tax levy for school purposes, other than sinking fund purposes, in each school district, shall be not more than one dollar and fifty cents ($1.50) annually on each one hundred dollars ($100) of property subject to local taxation.

(2) All existing subdistrict school tax levies, except those required to retire voted bonds, are hereby abolished.

Committee Amendment No. 1 to **HB 749** is as follows:

Amend printed copy of **HB 749,** page 11, line 4, by adding the following after "KRS 160.470.":

"*In no case shall the special voted building tax rate exceed the tax rate that could have been levied for the 1978-79 school year or the tax rate that was voted since 1978-79.*"

page 13, line 23, by adding the following after the word "voters.":

"*In no case shall the special voted general fund tax rate exceed the tax rate that could have been levied for the 1978-79 school year or the tax rate that was voted since 1978-79.*"

SB 31, AN ACT relating to the Kentucky School for the Deaf.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 167.035 is amended to read as follows:

(1) There may be established a Kentucky School for the Blind advisory board [~~and a Kentucky School for the Deaf advisory board, each~~] composed of five (5) members appointed by the state board of education upon recommendation by the superintendent of public instruction for terms of four (4) years and until their successors are appointed. *The* [~~Each~~] board shall elect from its membership a chairman. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in performance of their duties.

(2) *The* [~~Each~~] board shall act in an advisory capacity to assist the superintendent in conducting the activities of the school.

SECTION 2. A NEW SECTION OF KRS CHAPTER 167 IS CREATED TO READ AS FOLLOWS:

(1) There shall be established a Kentucky School for the Deaf advisory board, composed of seven (7) members appointed by the state board of education upon recommendation of the superintendent of public instruction. At the first regular meeting in each fiscal year, the board shall elect a chairman and vice-chairman. A member may serve no more than two (2) consecutive years as chairman. Members shall be appointed for regular terms of four (4) years, with initial appointment of two (2) members for two (2) years, two (2) members for three (3) years, and three (3) members for four (4) years. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in performance of their duties.

(2) Advisory board members for the Kentucky School for the Deaf shall be selected from nominations submitted by the Kentucky Association of the Deaf Inc., the Parent-Teacher-Cottage Parent Association, the Kentucky School for the Deaf Alumni Association Inc., and the superintendent of public instruction. Membership on the board shall be statewide and shall consist of two (2) parents of deaf children, one (1) professional in education of the deaf, one (1) former student of the Kentucky School for the Deaf, one (1) member of the Kentucky Association for the Deaf, and two (2) members at large.

(3) The board shall act in an advisory capacity to assist the school superintendent in conducting the activities of the school. The board shall also make recommendations to the superintendent of public instruction concerning all areas relating to the effective operation of the school, including but not limited to:

(a) Goals and objectives,
(b) Budget requests,
(c) Student services,
(d) Public relations,
(e) Construction and maintenance, and
(f) Program evaluation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 167 IS CREATED TO READ AS FOLLOWS:

(1) The superintendent of the Kentucky School for the Deaf shall be appointed by the superintendent of public instruction. The appointment shall be made upon recommendation of a search committee which shall be appointed by the state board of education whenever appointment of a superintendent becomes necessary.

(2) The search committee for the superintendent of the school for the deaf shall consist of the representative of the state department of education selected by the superintendent of public instruction, one (1) representative of the Kentucky Association of the Deaf, Inc., one (1) representative of the Kentucky School for the Deaf Alumni Association, Inc., one (1) representative of the Kentucky School for the Deaf faculty staff, one (1) parent of a student at the Kentucky School for the Deaf, and one (1) representative of the Kentucky School for the Deaf advisory board. The search committee's recommendation must be approved by a majority of the state board of education members.

(3) The superintendent of the Kentucky School for the Deaf may be removed from office by the state board of education only by a majority vote of the state board of education members.

SJR 38, A JOINT RESOLUTION commemorating the Golden Anniversary of Paducah Junior College/Paducah Community College.

WHEREAS, July 27, 1932, is a significant date in the history of higher education in the Commonwealth because on this date, articles of incorporation were approved and placed on record at the State Capitol in Frankfort with the Secretary of State which enabled the establishment of Paducah Junior College; and

WHEREAS, a small group of farsighted Paducah citizens envisioned the opportunity for the establishment of an institution of higher learning, during perilous economic conditions, for the educational benefit of young adults in Paducah and the McCracken County area; and

WHEREAS, the Paducah Junior College has had a highly significant impact upon the western Kentucky region, and has attained national recognition through their diversity of curricula, delivery of services and distinguished graduates who have rendered immeasurable contributions to the Commonwealth and to the nation; and

WHEREAS, this institution, originally known as Paducah Junior College, and since July of 1968 known as Paducah Community College, as merged with the University of Kentucky Community College System, will on February 18, 1982, formally open the multiphased observance of their Golden Anniversary;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the General Assembly hails Paducah Junior College/Paducah Community College for their many achievements and valuable services rendered to the Commonwealth and to the nation.

Section 2. That the General Assembly commends the distinguished statesmen who have served as president of the college during its first half-century of existence and pays tribute to the present leadership consisting of the Director of the college, Vice-President of the University of Kentucky Community College System, President of the University of Kentucky, the Board of Trustees of Paducah Junior College and the Board of Trustees of the University of Kentucky.

Section 3. That the General Assembly extends its sincerest congratulations to all those connected with the Paducah Community College for its successful endeavors, and expresses its hopes that the contributions made and the services rendered by this exemplary institution during the upcoming fifty years will be as great as the accomplishments of the past fifty years.

The Committee on Business Organizations and Professions reported **HB 688, SB 220,** and **SB 283** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 688, AN ACT relating to taxidermy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 150.411 is amended to read as follows:

(1) Every licensed taxidermist shall keep a suitable record in which shall be entered the species of each animal mounted by him and the name and address of the person for whom the mounting was done. [~~Within ten (10) days after the end of each month, he shall send to the department a report showing the number and name of the animals of each species mounted by him during the preceding month and the name and address of the person for whom each animal was mounted.~~]

(2) Any legally taken wildlife may be mounted, provided the wildlife bears identification with the name and address of the owner and date and place taken until such time as it is mounted.

(3) A fish and wildlife disposal permit, signed by a conservation officer, must be attached to wildlife taken other than during a legally open hunting season. Such permit will substitute for the identification required in subsection (2).

SB 220, AN ACT relating to professional engineers and land surveyors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 322.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the state board of registration for professional engineers and land surveyors.

(2) [~~"ECPD" means engineer's council for professional development.~~

~~(3)~~] "Engineer" means a person who is qualified by reason of his knowledge of mathematics, the physical sciences and the principles of engineering, acquired by professional education and practical experience, to engage in the practice of professional engineering.

(3)[~~(4)~~] "Engineering" includes any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences to such services or creative work as consultation, investigation, evaluation, planning and design of engineering works and systems, planning the use of land and waters, and the review of construction for the purpose of assuring compliance with drawings and specifications; any of

which embraces such service or work either public or private, in connection with any utilities, structures, certain buildings, building systems, machines, equipment, processes, work systems or projects with which the public welfare or the safeguarding of life, health or property is concerned, when such professional service requires the application of engineering principles and data. It does not include the work ordinarily performed by persons who operate or maintain machinery or equipment, such as locomotive, stationary, marine or power plant operators, nor work embraced within the practice of land surveying.

(4)[~~(5)~~] "Practice of engineering" includes all professional services included in subsection *(3) of this section* [~~(4)~~], together with the negotiation or solicitation for engineering work on any project in this state, regardless of whether the persons engaged in that practice are residents of this state or have their principal office or place of business in this state or any other state or country, and regardless of whether they are performing one or all of these duties, or whether they are performing them in person or as the directing heads of offices or organizations.

(5)[~~(6)~~] "Land surveying" means and includes any services requiring the determination of the location of land boundaries and land boundary corners and incidental topography; the preparation of maps showing the shape and area of tracts of land and their subdivision into smaller tracts; the preparation of maps showing the layout of roads, streets and rights-of-way; and the preparation of official maps or plats of land within this state.

(6)[~~(7)~~] "Land surveyor" means and includes any person engaged in the practice of land surveying as herein defined, and shall include any public offer, or the holding out by any person to the public, to engage in the practice of land surveying.

(7)[~~(8)~~] "Practice of land surveying" or "offer to practice" shall include performance of any act or acts directly related to land surveying, or any claim, oral or written, sign, letterhead, professional card, or other representation, on the part of any person representing himself to be a land surveyor or who holds himself out to the general public as possessing the ability and qualifications to perform land surveying within the terms of KRS 322.010, 322.200, 322.230 to 322.250, and 322.420 to 322.460.

Section 2. KRS 322.040 is amended to read as follows:

(1) Compliance with the requirements of any one of paragraphs (a) and (b) of this subsection shall qualify an applicant for a license as a professional engineer:

(a) *A graduate of an engineering curriculum of four (4) years or more approved by the board and with a specific record of an additional four (4) years or more of progressive experience in engineering projects of a grade and character which indicates to the board that the applicant may be competent to practice engineering. Each applicant must pass a written examination in the fundamentals of engineering acceptable to the board and a written examination in the principles and practice of engineering acceptable to the board. The board may admit to the fundamentals of engineering examination applicants enrolled in the final year of an undergraduate engineering curriculum. Upon passing such examinations, the applicant shall be granted a certificate of registration to practice engineering in this Commonwealth, provided the applicant is otherwise qualified. In counting years of experience, the board may give credit, not in excess of one (1) year, for satisfactory graduate study in engineering.* [~~Graduation from an engineering curriculum of four years or more in a school or college approved by ECPD as of satisfactory standing, and a specific record of an additional four years or more of experience in engineering work of a character satisfactory to the board. The record of experience shall indicate that the applicant is competent to practice engineering. In counting years of experience, the board may give credit, not in excess of one year, for satisfactory graduate study in engineering. The board shall require the applicant to successfully pass a written, or written and oral, examination.~~]

(b) Successfully passing a written, or written and oral, examination designed to show knowledge and skill approximating that attained through graduation from an approved four-year engineering curriculum, and a specific record of eight years or more of experience in engineering work of a character satisfactory to the board. The record of experience shall indicate that the applicant is competent to practice engineering. Licensing under this paragraph shall cease effective July 1, 1983.

(2) Compliance with the requirements of any one of paragraphs (a), (b) or (c) of this subsection shall qualify an applicant for a license as a land surveyor:

(a) Any person holding a certificate of registration to engage in the practice of land surveying issued to him by the proper authorities of any state, territory, possession of the United States, District of Columbia, or any foreign country, based upon requirements and qualifications appearing in his application, which, in the opinion of the board, are equal to, or higher than, the requirements required to obtain a license in this state, may be registered and licensed to practice land surveying in this state.

(b) Any graduate from an accredited engineering or surveying curriculum of not less than four years, at an institution approved by the board, followed by not less than four years of land surveying experience under the direct supervision of a regularly licensed and registered land surveyor, and who shall pass a written examination, to be formulated by the board, designed to demonstrate that he is qualified to practice land surveying, shall be granted a license and registered as a land surveyor.

(c) Any person possessing eight or more years of active experience in the practice of land surveying under the direct supervision of a licensed and registered land surveyor, and who shall pass a written examination, to be formulated by the board, designed to show that he is qualified to practice land surveying, shall be licensed and registered as a land surveyor.

(3) In the consideration of the qualifications of applicants, engineering teaching may be construed as engineering experience.

(4) The satisfactory completion of each year of an approved curriculum in engineering in a school or college approved by the board as of satisfactory standing, without graduation, shall be considered as equivalent to a year of experience required by paragraph (b) of subsection (1) *of this section.* Graduation in a curriculum other than engineering from a college or university of recognized standing may be considered as equivalent to two years of experience required by paragraph (b) of subsection (1), but no applicant shall receive credit for more than four years of experience because of undergraduate educational qualifications.

(5) The mere execution as a contractor of work designed by an engineer or the supervision of the construction of such work as a foreman or superintendent shall not be considered practice in engineering.

(6) Any person having the necessary qualifications prescribed in subsection (1) of this section shall be eligible for a license although he may not be practicing his profession at the time of making his application.

Section 3. KRS 322.090 is amended to read as follows:

An applicant failing an examination may apply for reexamination after six (6) months [~~and shall be reexamined without payment of any additional fee~~]. Reexaminations [~~after the first reexamination~~] shall be granted upon payment of a fee determined by the board. An applicant who has failed three (3) examinations shall not apply for reexamination within twenty-four (24) months of his last preceding examination.

Section 4. KRS 322.160 is amended to read as follows:

(1) The secretary-treasurer of the board shall notify every licensee of the date of the expiration of his license and the amount of the fee required for its renewal for one (1) year. Such notice shall be mailed at least one (1) month in advance of the expiration date. Renewals may be effected at any time during June by the payment of a fee not exceeding twenty dollars ($20). The failure of any licensee to renew his license annually in June shall not deprive him of the right of renewal, but the fee to be paid for the renewal of a license after June shall be increased ten per cent (10%) for each month or fraction of a month that payment of renewal is delayed. But the maximum fee for delayed renewal shall not exceed twice the normal renewal fee. Any person who fails to renew his license within one (1) year after expiration shall furnish the board with satisfactory evidence that he is of good character and reputation and has continued to uphold the ethics of the profession.

(2) All persons who are required to pay renewal fees to the board shall not be required to pay such fees during the time such persons are actively serving in the armed forces of the United States. Any person who has previously paid any renewal fee covering a period during which he was actively serving in the armed forces of the United States shall, upon filing with the board a copy of his discharge, be granted a renewal license without the payment of any fee. The free renewal shall be for as many license years as were served by the licensee in the armed forces and which were covered in whole or in part by the previous payment of a renewal fee *and has maintained a competency to practice the profession.*

Section 5. KRS 322.180 is amended to read as follows:

The board shall have the power to suspend, refuse to renew, or revoke the license of any registrant, to reprimand any registrant, or to place any registrant on probation, who is found guilty by the board of:

(1) The practice of any fraud or deceit in obtaining a license; or

(2) Any gross negligence, incompetence or misconduct in the practice of engineering or surveying; or

(3) Having been convicted by a court of law of a felony involving moral turpitude; or

(4) Violation of the code of *professional practice and conduct* [~~ethics~~] which has been adopted by the board.

Section 6. KRS 322.190 is amended to read as follows:

Any person or any organization may prefer charges of fraud, deceit, gross negligence, incompetence, *misconduct or violation of the code of professional practice and conduct* [~~or misconduct~~] against any licensee. The charges shall be in writing and shall be sworn to by the person or officer of the organization making them. They shall be filed with the secretary-treasurer of the board.

Section 7. KRS 322.210 is amended to read as follows:

Any person who feels aggrieved by any action of the board in refusing or revoking his license may appeal to the Franklin Circuit Court *within thirty (30) days after the action complained of.* After full hearing, that court shall sustain or reverse the action of the board.

Section 8. KRS 322.290 is amended to read as follows:

(1) The board shall:

(a) Administer this chapter.

(b) Adopt an official seal.

(c) Provide suitable office quarters at its own expense.

(2) The board may:

(a) Adopt and amend all bylaws and rules of procedure, consistent with the Constitution and laws of the state, and reasonably necessary for the proper performance of its duties and the regulation of the proceedings before it.

(b) Employ any *clerk* [~~clerical~~] or other assistants necessary for the proper performance of its work.

(c) Employ any legal assistants that it considers necessary.

(d) Make expenditures for any purpose that it considers reasonably necessary for the proper performance of its duties, including the expenses of the board's delegates to national conventions of and membership dues to the national council of engineering examiners or other affiliated national boards or societies.

(e) Adopt and promulgate a code of professional practice and conduct, which shall be binding upon persons registered under this Act, and which may be amended from time to time, and shall be made known to all registrants and applicants. The code of professional practice and conduct shall include, but not be limited to, the following objectives:

1. The protection of the public health, safety, and welfare;

2. The maintenance of standards of objectivity, truthfulness, and reliability in public statements;

3. The avoidance of conflicts of interest;

4. The prohibition of solicitation or acceptance of engineering work on any basis other than qualifications for the work offered;

5. The prohibition of association with any person engaging in illegal or dishonest activities;

6. The limitation of professional service to the area of competence of the registrant.

(f) Adopt appropriate standards of practice for land surveying.

(g) Bring, in its name, injunctive proceedings in the Franklin Circuit Court to enjoin any person, firm, association, corporation or combination thereof in violation of KRS 322.020.

SB 283, AN ACT relating to real estate licensees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

In case of death of a principal broker having a licensed sales associate or sales associates affiliated at the time of death, the commission reserves the right in its discretion, based upon the merits of each case, to permit one (1) of the sales associates to complete and close the then existing business of the deceased broker for a temporary period not to exceed six (6) months.

SECTION 2. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

(1) Upon payment of the established application fees, any person of good moral character who holds a real estate license in good standing issued by any state or territory which has licensing and educational standards substantially equal to or greater than this state may be licensed without examination if such state or territory extends similar reciprocity to licensees of this state.

(2) Every nonresident applicant shall file an irrevocable consent stating that legal actions may be commenced against the applicant in the proper court of any county of this state in which a cause of action may arise in which the plaintiff may reside, by the service of any process or pleading authorized by the laws of this state on the commission, the consent stipulating and agreeing that service of process or pleadings on the commission shall be taken and held in all courts to be as valid and binding as if service had been made upon the applicant in the state of Kentucky. Any process or pleadings served upon the commission, shall be by duplicate copies, one (1) of which shall be filed in the office the commission and the other immediately forwarded by certified mail, return receipt requested or by registered mail to the main office of the applicant against which the process or pleadings are directed.

SECTION 3. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

(1) A principal broker shall maintain an escrow account or accounts, separate and apart from the individual or office account, in which all contract deposits shall be deposited without unreasonable delay. The escrow account or accounts shall be maintained within the state of Kentucky.

(2) The broker may place the deposit in an interest bearing account or instrument. The interest earned shall accrue to the party making the deposit as a sum to be used toward the purchase price unless otherwise agreed in writing.

(3) No checks shall be drawn against uncollected deposits in the escrow account.

(4) None of the contract deposits shall be withdrawn until the contract has been terminated by performance, by agreement in writing between all parties, or by order of a court of competent jurisdiction.

(5) On licensure, the principal broker shall sign a permit giving the commission the permission to audit the escrow account or accounts.

SECTION 4. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

(1) No principal broker shall maintain a branch office outside a fifty (50) mile radius of the main office without having a broker managing the branch office.

(2) The licenses of all brokers and sales associates shall be kept on file in the office in which they are actively engaged and affiliated.

SECTION 5. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

(1) All complaints against licensees must be submitted to the commission, in triplicate, on forms furnished by the commission. The complaint must state facts which, if true, would make out a prima facie case against the licensee.

(2) A copy of the complaint, exhibits attached thereto, and any subsequent pleadings, must be served on the licensee defendant, by the complainant, at the licensee's last known address and must show certification that there has been service by writing to the last known address.

(3) The defendant licensee must file with the commission an answer to the complaint, in triplicate, and properly notarized, on forms secured from commission offices. The answer must be returned to the commission within twenty (20) days and a copy of the answer, exhibits attached thereto, as well as any subsequent pleadings, must be served on complainant and must show certification that there has been service by writing to the last known address. Any and all further pleadings in the matter filed with the commission by either party must show that a copy has been furnished to the opposing party or parties.

(4) Notice of all formal hearings will be given at least twenty (20) days prior to hearing date and witnesses may be subpoenaed by either party to the complaint by securing subpoena forms from the commission and having them served.

(5) The parties requesting a subpoena must pay the cost thereof.

(6) A court stenographer will be present at all formal hearings to take the proof and any party may obtain a copy of the proceedings by paying the stenographer therefor.

SECTION 6. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

A member is automatically removed from the commission and a vacancy is created when:

(1) A licensee of the commission ceases to be a broker or sales associate;

(2) A consumer member of the commission acquires a license or interest in the practice of real estate; or

(3) A member enters a plea of guilty to, or has been found guilty of, a felony in which fraud is an essential element or to any crime involving moral turpitude and the time for appeal has lapsed or the judgment or conviction has been affirmed on appeal.

SECTION 7. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

The commission shall charge and collect the following fees:

(1) Examination fee, not to exceed fifty dollars ($50.00).

(2) Broker's and sales associate's original license fee, not to exceed thirty dollars ($30.00).

(3) Broker's and sales associate's renewal fee, not to exceed thirty dollars ($30.00).

(4) Transfer from one (1) principal broker to another, not to exceed ten dollars ($10.00).

(5) Certification of status with the commission, ten dollars ($10.00).

(6) Request for any change, not to exceed ten dollars ($10.00).

(7) Recovery fund, not to exceed thirty dollars ($30.00).

SECTION 8. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

No affiliation fee shall be charged in any year to a licensee. As used in this section, "affiliation" fee means any fee or compensation paid by a licensee, to any person, for the privilege of listing his license with a particular principal broker, in records submitted to the commission.

Section 9. KRS 324.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) [~~"Associate broker" means any person who for compensation or valuable consideration is associated directly or indirectly with a broker to perform all the functions authorized by a broker's license only for and on behalf of such principal broker including but not limited to authority to supervise other salesmen associated with a broker and manage an office on behalf of a broker.~~

~~(b) "Association" means the National Association of Realtors.~~

~~(c)~~] "Broker" means any person who for a fee, commission, compensation or other valuable consideration sells or offers for sale, buys or offers to buy, *or otherwise deals in time sharing options,* or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or rents or offers for rent, or refers or offers to refer for the purpose of securing prospects, any real estate or the improvements thereon for others, as a whole or partial vocation.

(b)[~~(d)~~] "Commission" means the Kentucky real estate commission.

(c) "Principal broker" means a broker as defined in KRS 324.010 (a) of this Act who, in addition to performing acts or transactions comprehended by that definition, is the single broker responsible for the operation of the office or offices.

(d)[~~(e)~~] "Real estate" includes leaseholds and other interests less than leaseholds.

(e)[~~(f)~~] *"Sales Associate"* [~~"Salesman"~~] means any person *associated with a Kentucky-licensed principal broker for performing acts or transactions comprehended by the definition of "broker" as defined in this Act and licensed as per KRS 324.046 (2)* [~~who for a fee, commission, compensation or other valuable consideration is associated either directly or indirectly with a broker to sell or offer to sell, or to buy or offer to buy, or to negotiate the purchase or sale or exchange of real estate, or to lease or negotiate leases thereof or to rent or offer for rent, or to refer or offer to refer for the purpose of securing prospects any real estate, and the improvements thereon for others as a whole or partial vocation~~].

(f)[~~(g)~~] "Approved real estate school" means a school that has been given a certificate of approval by the *state board of proprietary education in addition to a certificate of approval by the* Kentucky real estate commission. *The school must also be* [~~and is~~] currently in good standing *with both the state board of proprietary education and the commission.*

(g)[~~(h)~~] "Accredited real estate school" means a college or university accredited by appropriately recognized educational associations or chartered and licensed in Kentucky that grants credits toward an associate degree or a baccalaureate degree to those students successfully completing a course in real estate.

(2) One act for a fee, commission, compensation or other valuable consideration of buying or selling real estate of or for another, or offering for another to buy, sell or exchange real estate, or leasing, renting or offering to rent real estate, or referring or offering to refer real estate for the purpose of securing prospects, *or otherwise dealing in options or time sharing* shall constitute the person performing, offering or attempting to perform such act as a broker *or sales associate* [~~, associate broker or salesman~~].

Section 10. KRS 324.020 is amended to read as follows:

(1) [~~On or after June 19, 1976,~~] It shall be unlawful for any person to act as a [~~real estate~~] broker or real estate *sales associate* [~~salesman~~] or to advertise or assume to act as such [~~real estate~~] broker or *sales associate* [~~real estate salesman~~] within the Commonwealth of Kentucky, without a license issued by the Kentucky real estate commission.

(2) A licensee who is an owner or a builder-developer must comply with the provisions of this Act and the regulations applying to real estate brokers and sales associates.

(3) It shall be unlawful for any broker to split fees with or compensate any person who is not licensed to perform any of the acts regulated by this chapter; provided, however, that a broker may pay a commission to or split fees with a broker licensed outside of Kentucky who does not conduct in this state any of the negotiations for which such commission or fees are paid.

(4) No sales associate licensed in Kentucky shall supervise another licensed sales associate or manage an office except by permission of the commission and when acting on the death of the principal broker.

Section 11. KRS 324.040 is amended to read as follows:

(1) Every applicant for a license, whether as broker[~~, associate broker~~] or *sales associate* [~~salesman~~], shall state whether or not the applicant has ever had any broker's[~~, associate broker's~~] or *sales associate's* [~~salesman's~~] license revoked or suspended. [~~It shall be accompanied by the license fee prescribed by KRS 324.070, but, if the commission does not issue the license, the fee shall be returned to the applicant.~~] Every applicant for a license shall furnish a sworn statement setting forth *the* [~~his~~] business and residence address.

(2) Every applicant for a broker's license shall apply in writing upon *forms* [~~blanks~~] prepared or furnished by the commission. *The applicant* [~~He~~] shall state the name of the person or company with which he *or she* will be associated in the business of real estate, and the location of the place for which the license is desired, and shall set forth the period of time, if any, during which he *or she* has been engaged in the real estate business.

(3) Every applicant for a *sales associate's* [~~salesman's or associate broker's~~] license shall set forth the name and place of business of the company with whom he *or she* is to be associated.

(4) Every applicant for a license shall be at least eighteen years of age and shall have attained a high school diploma or its equivalent. After an applicant passes the required examination, the commission shall issue a license to him *or her*.

Section 12. KRS 324.045 is amended to read as follows:

(1) Licenses shall be granted only to persons who are trustworthy and competent to transact the business of a [~~real estate~~] broker [~~, associate broker~~] or *sales associate* [~~salesman~~] in such manner as to safeguard

the interest of the public, and only after satisfactory proof of such qualifications has been presented to the commission.

(2) In addition to proof of honesty, truthfulness and good reputation of any applicant for a license, each applicant must pass a written examination conducted by said commission, or its authorized representative, which examination shall be of scope and wording sufficient in the judgment of the commission to establish the competency and trustworthiness of the applicant to act as a [~~real estate~~] broker[~~, associate broker~~] or *sales associate* [~~salesman~~] in such manner as to protect the interests of the public. Provided, however, no examination shall be required for the renewal of any present or future license unless such license has been revoked, suspended or is allowed to expire without renewal *for a period of more than one (1) year.* The commission shall hold examinations at such times and places as it may determine, and an examination fee [~~of $25.00~~] shall be collected from each applicant to defray the expenses of holding such examinations.

Section 13. KRS 324.046 is amended to read as follows:

(1) [~~Effective July 1, 1980~~] Every applicant for initial licensure as a [~~real estate~~] broker shall have successfully completed not less than twenty-one (21) academic credit hours or the equivalent [~~clock hours~~] with at least twelve (12) hours in real estate courses from an accredited or approved real estate school and shall have been engaged in the real estate business in Kentucky as a *sales associate averaging at least twenty (20) hours per week* [~~licensed real estate salesman~~] for a period of twenty-four (24) months prior to application.

(2) [~~Effective July 1, 1980 every applicant for initial licensure as an associate broker shall have successfully completed nine (9) academic credit hours or equivalent clock hours in real estate courses from an accredited or approved real estate school and shall have been engaged in the real estate business in Kentucky as a licensed salesman for a period of twenty-four (24) months prior to application.~~

~~(3) Effective July 1, 1980~~] Every applicant for initial licensure as a *sales associate* [~~real estate salesman~~] shall have successfully completed six (6) academic credit hours or equivalent [~~clock hours~~] in real estate courses from an accredited or approved real estate school.

(3) Proof of said activities will take the form of an official transcript from the attended university and a sworn notarized affidavit signed by both the applicant and his principal broker or other documentation satisfactory to the commission. The applicant may file a complaint with the commission should the principal broker unjustly refuse to sign the affidavit.

(4) The commission may reduce the two (2) year experience requirement for applicants for a broker's license to one (1) year if the applicant has an associate degree in real estate or a baccalaureate degree with a major in real estate.

(5) No sales associate may apply to take the broker's examination if a formal complaint has been filed against him or her and has not been resolved.

(6) Any person licensed under the real estate laws of this state prior to June 19, 1976, shall not be subject to any educational changes in this chapter effected by Acts 1976, ch. 100, found in paragraphs (1) and (2) of this section.

(7) Effective April 1, 1984, only two (2) types of licenses, a real estate broker's license and a real estate sales associate's license, will be issued by the commission. The program will be phased in over a two-year period beginning in 1982 to allow licensees to meet the appropriate licensing requirements.

Section 14. KRS 324.070 is amended to read as follows:

The original *and renewal* fee for each [~~real estate~~] broker's and *sales associate's* [~~associate broker's~~] license shall be *set by the commission each year and shall not exceed thirty dollars ($30.00)* [~~ten dollars ($10.00) and the annual renewal fee shall be ten dollars ($10.00). The original fee for each real estate salesman's license shall be ten dollars ($10.00) and the annual renewal fee shall be five dollars ($5.00)~~].

Section 15. KRS 324.080 is amended to read as follows:

The commission shall issue to each licensee a license in such form and size as shall be prescribed by the commission. This license shall show the name and address of the licensee and, in case of *a sales associate's* [~~an associate broker's or salesman's~~] license, shall show the name *and business address of the principal broker* [~~of the real estate broker with whom he is associated~~]. Each license shall have imprinted thereon the seal of the commission, and in addition to the foregoing shall contain such matter as shall be prescribed by the commission. The license of each *sales* associate [~~broker or salesman~~] shall be delivered or mailed to the *principal* [~~real estate~~] broker with whom such *licensee* [~~associate broker or salesman~~] is *affiliated* [~~associated and shall be kept in the custody and control of such broker. It shall be the duty of each real estate broker to conspicuously display his license in his place of business~~].

Section 16. KRS 324.090 is amended to read as follows:

(1) Effective March 31, 1984, every license shall expire on the *thirty-first* [~~thirtieth~~] day of *March* [~~June~~] of each year. The commission shall issue a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of the license, upon receipt of the written request of the applicant and the annual fees therefor, as herein required.

(2) A fine not to exceed two hundred dollars ($200) shall be assessed for failure to renew on time before a new license is issued. Failure to receive a renewal form shall not constitute an adequate excuse for failure to renew on time.

(3) Any license not renewed at the end of the renewal year as prescribed by the commission shall automatically revert to expired status. Such license may be reactivated before a lapse of six (6) months if delinquent fees are paid by the licensee.

Section 17. KRS 324.115 is amended to read as follows:

[~~(1)~~] Every [~~real estate~~] broker licensed under KRS 324.045 shall have and maintain a definite place of business in this state[~~, except as hereinafter provided, and shall erect and maintain a sign in a conspicuous place on the premises at or near the outside entrance to his principal office and all branch offices. The sign shall indicate that he is a real estate broker and his name shall be clearly shown thereon. Such sign shall be written in clear and legible letters of not less than two (2) inches in height and shall be placed so that it can easily be observed and read by anyone entering said place of business~~]. Provided, however, That if the broker is a nonresident, it is not mandatory [~~for him~~] to maintain an active place of business in this state if [~~he maintains such~~] a business place *is maintained* in the state *of original licensure* [~~where he is originally licensed~~].

[~~(2) When a real estate broker's office is located in an office building, the broker must display his sign at his office door and also be listed as a real estate broker on the office directory. Where such office is located in a building that is also used as a dwelling, the required sign must be located so that it may be seen from the street or road that is designated as the office address. This requirement shall not apply to a licensed real estate broker who is affiliated with another broker in the capacity of a salesman.~~]

Section 18. KRS 324.117 is amended to read as follows:

(1) *All real estate advertising shall identify, by name, the principal broker and the fact that he is engaged in the real estate business by a statutory designation, such as real estate broker, or other professional real estate designation. The commission may adopt regulations to further define what designations are acceptable.* [~~Unless otherwise prohibited by law, the designated broker's name and the fact that he is a real estate broker shall appear in all advertising of any nature whatsoever, including newspaper ads, all signs, stationery and cards, in order that the general public be advised of the licensed broker. Firm name only is required on newspaper classified ads. This requirement shall apply only to those brokers who are doing business under a firm name or assumed name other than their own.~~

~~(2) The name of the designated broker on all posted signs shall not be less than one (1) inch in height.~~

~~(3)~~] The deceased broker's name may remain a part of the firm name.

(2)[~~(4)~~] Only brokers [~~and broker-salesmen~~] may have their names in the firm name. (No *sales associate's* [~~salesman's~~] name may be a part of the firm name.)

(3)[~~(5)~~] Any *sales associate* [~~salesman~~] or broker affiliated as a *sales associate* [~~salesman~~] must advertise in the name of his *or her principal* [~~designated~~] broker, *unless he or she is* [~~even when~~] selling, *renting, leasing, or otherwise dealing in* his *or her* own property.

[~~(6) Other than the requirements stated in this section and in KRS 324.115, the commission shall not regulate the content, size or format of any signs or advertising.~~]

Section 19. KRS 324.150 is amended to read as follows:

The commission *or its staff* may *on* [~~upon~~] its own *initiative* [~~motion~~], and shall *on* [~~upon~~] the verified written complaint of any person, investigate the actions of any broker [~~, associate broker~~] or *sales associate* [~~salesman~~] or any person who assumes to act in such capacity, if the complaint, or complaint together with other evidence presented in connection with it, makes out a prima facie case. It may suspend or revoke any license for grounds stated in KRS 324.160.

Section 20. KRS 324.160 is amended to read as follows:

(1) The commission may suspend or revoke any license or levy fines not to exceed five hundred dollars ($500) or both *or place any licensee on probation for a period of up to twelve (12) months* for any of the following causes:

(a) Obtaining a license through false or fraudulent representation.

(b) Making any substantial misrepresentation.

(c) Making any false promises of a character likely to influence, persuade or induce.

(d) Pursuing a continued and flagrant course of misrepresentation or making false promises through agents or advertising or otherwise.

(e) Acting for more than one (1) party in a transaction without the knowledge of all parties for whom *the licensee* [~~he~~] acts.

1. A real estate licensee shall not directly or indirectly buy property listed with him or her nor acquire an interest therein without making his or her true position clearly known in writing on the sales contract or offer to purchase.

2. Before a real estate licensee buys, sells or receives compensation for property in which the licensee owns an interest, the licensee shall disclose any interest in the property to all parties to the transaction.

(f) Accepting valuable consideration [~~as a salesman or associate broker~~] for the performance of any of the acts specified in this chapter, from any person, except *from* his *or her* principal broker *at the time the listing was obtained. When acting as an agent in the management of property, a real estate licensee shall not accept any commission, rebate or profit on expenditures made for a client without the full knowledge and consent of the client.*

(g) Representing or attempting to represent a broker other than a principal broker, without the express knowledge and consent of that principal broker.

(h) Failing to account for or remit, within a reasonable time, any money belonging to others that comes into his *or her* possession. *When acting as a property manager, the licensee shall render an accounting and remit all monies to his or her client strictly in accordance with the contract of employment.*

(i) Paying valuable consideration to any person for services performed in violation of this chapter.

(j) Entering a plea of guilty or nolo contendere to, or having been found guilty of, or having been convicted of, a felony, in which fraud is an essential element, and the time for appeal has lapsed or the judgment or conviction has been affirmed on appeal, irrespective of an order granting probation following such conviction, suspending the imposition of sentence; or soliciting, selling or offering for sale real property under a scheme or program that constitutes a lottery or *contest or* deceptive practice, or *offering prizes for the purpose of influencing a purchaser or prospective purchaser of real estate, or* acting in the dual capacity of broker and undisclosed principal in the transaction.

(k) Guaranteeing, authorizing or permitting a person to guarantee that future profits will result from a resale of real property.

(l) Negotiating or attempting to negotiate the sale, exchange, lease or rental of real property with an owner or lessor knowing that the owner or lessor had a written outstanding contract granting exclusive agency in connection with the property to another real estate broker.

(m) Publishing or circulating an unjustified or unwarranted threat of legal proceedings or other such action.

(n) Failing or refusing on demand to furnish copies of a document pertaining to a transaction dealing with real estate to a person whose signature is affixed to the document.

(o) Failing, within a reasonable time, to provide information requested by the commission as a result of a formal or informal complaint to the commission which would indicate a violation of this chapter.

(p) *Paying valuable consideration to any person for the name or names of potential sellers or buyers except as otherwise provided in KRS 324.020 (3).*

(q) Violating any of the provisions in this chapter of any lawful order, rule or regulation made or issued under the provisions of this chapter.

(r)[~~(q)~~] Any other conduct that constitutes improper, fraudulent or dishonest dealing.

(2) Any conduct constituting an act of discrimination regarding a person's race, color, creed, sex, or national origin, including use of scare tactics or blockbusting, shall be considered improper conduct as referred to in subsection (1)*(r)*[~~(q)~~] of this section.

(3) No unlawful act or violation of any provision of this chapter by any *associate of the principal broker may be cause for holding the principal broker primarily liable unless the broker has* [~~salesman, associate broker, employe, partner or associate of a broker shall be cause for the revocation of the license of that broker, unless it appears to the satisfaction of the commission that he had~~] guilty knowledge of *such unlawful violation. The commission through means of a formal hearing may fine, suspend, or revoke the license of the principal broker for failing to exercise adequate supervision over the activities of licensed affiliates* [~~it~~].

(4) The practice of obtaining, negotiating, or attempting to negotiate "net listings" shall be considered improper dealing. A "net listing" shall be defined as a listing agreement that provides for a stipulated net price to the owner and the excess over the stipulated net price to be received by the licensee as the commission.

Section 21. KRS 324.170 is amended to read as follows:

The commission shall before denying an application for license or before suspending or revoking any license set the matter down for a hearing and at least twenty (20) days prior to the date set for the hearing it shall notify the applicant or licensee in writing, which said notice shall contain an exact statement of the charges made and the date and place of the hearing. The applicant or licensee in all hearings shall have the opportunity to be heard in person and by counsel in reference thereto. Such written notice may be served by delivery of same personally to the applicant or licensee or by mailing same by certified mail, return receipt requested to the last known business address of such applicant or licensee. If such applicant or licensee be *a sales associate* [~~an associate broker or salesman~~] the commission shall also notify the *principal* broker [~~with whom he is associated or whose employ he is about to enter~~] by mailing notice by certified mail, return receipt requested to the broker's last known business address. *The commission shall order the presence of the principal broker at the hearing.* The hearing on such charges shall be at such time and place as the commission shall prescribe.

Section 22. KRS 324.190 is amended to read as follows:

(1) In the preparation and conduct of hearings the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of papers, and any member of the commission may sign subpoenas, administer oaths and affirmations, examine witnesses and receive evidence. The fees and mileage shall be the same as prescribed by law in judicial procedure in the courts of this state in civil cases. Any party to any hearing before the commission shall have the right to the attendance of witnesses in his *or her* behalf at such hearing upon making a request thereof to the commission and designating the person or persons sought to be subpoenaed.

(2) In cases of disobedience to the subpoena any member of the commission may invoke the aid of any court of competent jurisdiction in requiring the attendance and testimony of witnesses and the production of papers; and such court may issue an order requiring the persons to appear before the commission and give evidence and to produce papers as the case may be; and any failure to obey such order of the court may be punished by the court as contempt thereof.

(3) Testimony may be taken by deposition as in civil cases, and any person may be compelled to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

(4) Any person who shall neglect or refuse to attend and testify or to answer any lawful inquiry or to produce documentary evidence if in his *or her* power to do so in obedience to a subpoena or lawful requirement by such commission or member thereof shall be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be punished as provided in this chapter.

Section 23. KRS 324.210 is amended to read as follows:

Any party aggrieved by the action of the commission in refusing to grant a license or in suspending or revoking a license may, within *thirty (30)* [~~ten (10)~~] days after the entry of such order of refusal, revocation, fine or suspension, file in the office of *Franklin Circuit Court* [~~the clerk of the circuit court where the licensee has his principle place of business or where the applicant resides,~~] an attested copy of the proceedings before the commission, provided *the aggrieved party* [~~he~~] shall first post a bond to secure the costs of the action in such sum as may be approved by the clerk of the circuit court, with good and solvent surety. The commission shall be a necessary party to all such appeals. The circuit court clerk shall thereupon docket the case and shall immediately issue a summons for such commission. No formal pleadings shall be required in such appeals and the case shall be set down by the court for a hearing, and after such hearing the court shall enter a judgment sustaining or setting aside the order of the commission. Either party may appeal to the Court of Appeals from the judgment of the circuit court in the same manner as an appeal can be taken.

Section 24. KRS 324.220 is amended to read as follows:

No person who has had *a broker's or sales associate's* [~~any~~] license revoked shall be issued *another* [~~any other~~] license for five (5) years from the date of revocation. *All persons seeking issuance of another license after revocation may do so only at the discretion of the commission and must retake the appropriate examination and meet all of the contemporary licensing requirements.*

Section 25. KRS 324.230 is amended to read as follows:

The revocation of a *principal* broker's license shall automatically suspend every [~~associate broker or salesman's~~] license granted to any person by virtue of [~~his~~] association with the *principal* broker whose license has been revoked, pending a change of principal broker and the issuance of a new license. Such new license shall be issued without charge, if granted during the same year in which the original license was granted.

Section 26. KRS 324.281 is amended to read as follows:

(1) There is hereby created the Kentucky real estate commission. The governor shall appoint five (5) persons, at least four (4) of whom, immediately prior to the date of their appointment have been residents of the state for *ten (10)* [~~five~~] years and whose vocation for a period of at least ten (10) years shall have been that of *an active* [~~a~~] real estate *licensee* [~~broker, associate broker or salesman~~]. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. [~~Of the two (2) additional members appointed to the commission as provided by this section, one member shall be appointed for an initial term of two years and one member shall be appointed for an initial term of three years; and until their successors are appointed and qualify. Thereafter~~] The term of the members of said commission shall be for three (3) years and until their successors are appointed and qualify.

(2) For each appointment or vacancy, the Kentucky Association of Realtors shall supply a list of not less than three (3) names *of licensees* to the governor each year from which the broker or *sales associate* [~~salesman~~] appointments are to be made. *The governor may fill vacancies arising in the middle of the year from those remaining on the list or from a new list supplied by the association.*

(3) There shall not be more than three (3) of any one political party serving on the commission at the same time. *Appointees* [~~Members~~] to fill vacancies shall be appointed for the unexpired term.

(4)[~~(2)~~] It shall be the duty of the commission to *draft regulations, to* hold disciplinary hearings concerning matters in controversy as provided by this chapter; to conduct examinations for applicants eligible under this chapter; to conduct whenever deemed necessary certain educational seminars and courses directed

toward continuing education within the real estate field; to investigate or cause to be investigated any irregularities in violation of this chapter or the promulgated and authorized rules and regulations of the commission; to participate with any other agency of the Commonwealth or the authorized agency of another state for the betterment or improvement of the administration of the statutes, rules or regulations governing this commission. Any action taken by the commission under this subsection shall be appealable as are other actions of the commission under this chapter.

(5) The commission, at its discretion, may use such funds as are necessary to purchase liability insurance for members and executive officers of the commission, inspectors and for members of the staff exempted from classified service of the state by KRS 18.140.

Section 27. KRS 324.282 is amended to read as follows:

The commission, immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a *chairperson* [~~chairman~~], and may do all things necessary and convenient for carrying into effect the provisions of this chapter, and may from time to time promulgate necessary rules and regulations, but in no event shall the commission promulgate any rule or regulation which in any *way* [~~wise~~] fixes prices or commissions.

Section 28. KRS 324.283 is amended to read as follows:

Each member of the commission shall receive as compensation *nine* [~~six~~] thousand dollars *($9,000)* [~~($6,000)~~] per annum and [~~his~~] actual and necessary expenses incurred in the performance of duties pertaining to *the* [~~his~~] office.

Section 29. KRS 324.310 is amended to read as follows:

When any *sales* associate [~~broker or salesman~~] shall be discharged or shall terminate his *or her* association with the *principal* [~~real estate~~] broker [~~with whom he is associated~~], it shall be the duty of such [~~real estate~~] broker to immediately deliver or mail [~~by certified mail, return receipt requested or by registered mail~~] to the commission such *sales associate's* [~~associate broker's or salesman's~~] license. The [~~real estate~~] broker shall, at the time of mailing such *sales associate's* [~~associate broker's or salesman's~~] license to the commission, address a communication to the last known residence address of such *sales* associate [~~broker or salesman~~], which communication shall advise such *sales* associate [~~broker or salesman~~] that his *or her* license has been delivered or mailed to the commission. A copy of such communication to the *sales* associate [~~broker or salesman~~] shall accompany the license when mailed or delivered to the commission. It shall be unlawful for any *sales* associate [~~broker or salesman~~] to perform any of the acts contemplated by this chapter either directly or indirectly under authority of said license from and after the date of receipt of the said license from said broker by the commission[~~; Provided, That another license shall not be issued to such associate broker or salesman until he shall return his former pocket card to the commission or shall satisfactorily account to it for the same. Provided, further, That not more than one (1) license shall be issued to any associate broker or salesman for the same period of time~~].

Section 30. KRS 324.330 is amended to read as follows:

(1) Notice in writing shall be given to the commission by each licensee of any change of principal business location, *a change of firm name, sales associate's transfer from one principal broker to another, or a change of surname,* whereupon the commission shall issue a new license for the unexpired period and shall charge *a fee not to exceed the original cost of licensure* [~~two dollars ($2.00)~~] for effecting the change on its records. This shall apply to both brokers and *sales associates* [~~salesmen~~]. [~~The change of business location without notification to the commission shall automatically cancel the license theretofore issued.~~]

(2) The commission shall be notified of a change of a residence address within ten (10) days.

(3) A fee will be assessed for certification of a licensee's status with the commission.

Section 31. KRS 324.400 is amended to read as follows:

(1) There is hereby created and established in the State Treasury the Real Estate Education, Research and Recovery Fund.

(2) In addition to the license fees provided for in KRS 324.070, upon renewal of every [~~real estate~~] broker's and *sales associate's* [~~real estate salesman's~~] license, as well as any and all other types of licenses, if any, issued by the commission, as of June 30, 1972, and every regular annual renewal date thereafter, the commission shall charge each of the aforesaid licensees an amount not to exceed $30.00 per year to be included in the Real Estate Education, Research and Recovery Fund. Each and every original applicant for a [~~real estate~~] license after July 1, 1972, shall likewise submit to the commission an additional fee of $30.00 to be deposited in the Real Estate Education, Research and Recovery Fund and shall also be subjected thereafter to an annual renewal fee as of the regular renewal period.

(3) In addition to the license fees provided for in KRS 324.070, the commission, based upon its own discretion as to need, may assess each licensee upon renewal an amount less than $30.00 per year, or nothing, but not more. Each original applicant must pay the original amount of $30.00, but on renewal will be subjected to the same renewal amount as other licensees.

Section 32. KRS 324.410 is amended to read as follows:

The purposes of the real estate education, research and recovery fund shall be as follows:

(1) Wherever a licensee, *acting in the capacity of a licensee,* has been duly found guilty of *fraud in the violation of* [~~violating any~~] one or more of the provisions of KRS 324.160 [~~and/or any one or more of the rules and regulations duly promulgated by the commission~~], and upon the conclusion of a final order entered by the commission, or by the courts, if appealed, the commission is authorized to pay to the aggrieved person or persons an aggregate amount not to exceed *twenty thousand dollars ($20,000)* [~~$10,000.00~~] against any one licensee, provided that the licensee has refused to pay such claim within a period of 20 days of entry of a final order and provided further that the amount or amounts of money in question are certain and liquidated.

(2) The commission shall maintain a minimum level of *four hundred thousand dollars ($400,000)* [~~$200,000.00~~] for recovery and guaranty purposes. These funds may be invested and reinvested in the same manner as funds of the state employes' retirement system and the interest from said investments shall be deposited to the credit of the real estate education, research and recovery fund. Sufficient liquidity, however, will be maintained so that there will be money available to satisfy any and all claims which may be processed through the commission through the means of formal administrative hearing as outlined in this chapter.

(3) The commission, in its discretion, may use any and all funds in excess of the *four hundred thousand dollars ($400,000)* [~~$200,000.00~~] level, regardless of whether it is from the real estate education, research and recovery fund fees or accrued interest thereon, for the following purposes:

(a) To carry out the advancement of education and research in the field of real estate for the benefit of those licensed under the provisions of this chapter and the improvement and making even more efficient the real estate industry as such;

(b) To underwrite educational seminars, caravans and other forms of educational projects for the use and benefit generally of real estate licensees;

(c) To establish a real estate chair or courses at Kentucky state institutions of higher learning for the purpose of making such courses available to licensees and the general public who may seek same on a college or university level;

(d) To contract for a particular research project in the field of real estate for the Commonwealth of Kentucky;

(e) To sponsor, contract for and to underwrite any and all other educational and research projects of a similar nature having to do with the advancement of the real estate field in Kentucky; and

(f) To receive recommendations and to cooperate and work with the Kentucky Association of Realtors and any and all other real estate groups for the enlightenment and advancement of the real estate licensees of Kentucky.

(4) Within sixty (60) days after the end of each fiscal year, the commission shall mail to each licensee a statement of income and expenses of the real estate education, research and recovery fund, the details of which have been approved by the secretary of the department of finance.

Section 33. KRS 324.420 is amended to read as follows:

(1) *An aggrieved party must commence an action which may result in collection from the recovery fund by first filing with the commission on a form prepared by the commission. The commission shall hold a hearing pursuant to the requirements set forth in KRS 324.170 through 324.200 to determine if a violation of this chapter has in fact occurred. If a violation of fraud is so found, the commission shall determine if the violation resulted in damages to complainant and in what amount. If damages cannot be accurately determined, then the amount of damages shall be determined by a circuit court in the county where the violation took place. In the event the question of damages is referred to the circuit court, the decision of the commission will not be final and appealable until the question of damages is certifiable.* [~~In the event that a licensee is found guilty of one or more provisions of KRS 324.160 and/or one or more rules and regulations of the commission, and if the amount of the money lost by the aggrieved party or parties is in dispute or cannot be determined accurately, then said amount of damages shall be determined by a circuit court in the county where the alleged violation took place, provided that the commission has previously determined that a violation of the license laws and/or rules and regulations has occurred and a final order has been entered.~~]

(2) *Upon final judgment by the commission or upon certification to the commission by the circuit court on the issue of damages, and after the licensee has refused to pay the claim within a period of twenty (20) days of entry of a final order, the aggrieved party or parties shall be paid the amount or amounts by the commission from the recovery fund.* [~~If such an order has been entered and the real estate license rights of the licensee have been finally adjudicated, then the local circuit court shall make a finding as to the damages and/or amounts of money involved growing out of the aforesaid violation or violations.~~]

(3) *The license of the licensee against whom the claim was made by the aggrieved party shall be suspended or may be permanently revoked until such time as the licensee has reimbursed the recovery fund in full for all amounts paid, plus interest at the rate of ten percent (10%) per annum.* [~~When a final order has been entered by the circuit court or Court of Appeals, and upon certification to the commission, the aggrieved party or parties shall be paid such amount or amounts by the commission and the real estate license~~

~~against whom the claim was made by the aggrieved party shall be suspended until such time as the licensee has reimbursed the Real Estate Education, Research and Recovery Fund for all amounts paid to the aggrieved party due to the violation of the licensee.~~]

(4) *Any party aggrieved by a final decision of the commission may appeal to the Franklin Circuit Court within thirty (30) days from the time the decision was rendered. The commission shall have the right to enter an appearance, intervene in, or defend the action and may also appeal from any judgment entered against a licensee in that initial appeal.*

(5) [~~When~~] Upon the final order of the court, *and after* the commission has paid from the real estate education, research and recovery fund any sum to the aggrieved party, the commission shall be subrogated to all of the rights of the aggrieved party to the extent of the payment. [~~and~~] The aggrieved party shall to the extent of the payment assign his right, title and interest in the judgment to the commission. *After such assignment, the commission may challenge in bankruptcy court any attempt by a former licensee to discharge the debt, if proper notice is given. Any funds recovered by the commission shall be deposited in the real estate education, research and recovery fund.*

(6) No aggrieved party shall be entitled to recover compensation from the real estate education, research and recovery fund unless the action against the licensee is commenced within two (2) years from actual knowledge of the cause of action or from such time as circumstanes should reasonably have put the aggrieved party on notice of such cause of action.

(7) For purposes of this section an "aggrieved party" shall mean either:

(a) A member of the consumer public who stands in a direct relationship to the licensee, i.e., one who demonstrates an interest in purchasing, leasing, renting, or otherwise securing an interest in real estate through a licensee; or

(b) One who directly engages the services of a licensee for purposes of selling, leasing, renting, or otherwise dealing in their own property.

(8) If at any time the money on deposit in the real estate education, research and recovery fund is insufficient to satisfy any duly authorized claim or portion thereof, the commission shall, when sufficient money has been deposited in the real estate education, research and recovery fund, satisfy such unpaid claim or portions thereof, in the order that such claims or portions were originally filed, plus accumulated interest at the rate of ten percent (10%) per annum.

(9)[~~(5)~~] Any funds in excess of the *four hundred thousand dollar ($400,000)* [~~$200,000.00~~] level [~~and~~] which are not being currently used, may be invested and reinvested as set forth in subsection (2) of KRS 324.410.

Section 34. The following KRS sections are repealed:

324.047 Implementation of licensing requirements by regulation — Schedule.
324.048 License required.
324.050 Application of nonresident for license.
324.100 Commission to furnish pocket card to each licensee.
324.105 Licensed salesman — Prohibited activities.
324.110 Broker authorized to perform all acts contemplated by chapter.
324.140 Nonresident to consent to service on secretary of commission — Duplicate copies to be served.
324.290 List of licensees to be published and recorded.
324.350 Exemption from provisions of 1976 Act.

Committee Amendment No. 1 to **SB 283** is as follows:

Amend printed copy of **SB 283,** page 25, line 23, by deleting the words "*Franklin Cir-*" and on line 24 by deleting the words "*cuit Court*" and by removing the bracket before the word "[~~the~~", and on line 26, by removing the bracket after the word "~~resides~~]."

Committee Amendment No. 2 to **SB 283** is as follows:

Amend printed copy of **SB 283,** page 1, line 13, after the word "*person*", by deleting the words "*of good moral character*".

The Committee on Education reported **HB 453, HB 610, HB 732,** and **HB 742** with Committee Title Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 453, AN ACT relating to teachers' retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.545 is amended to read as follows:

(1) Members may make contributions and receive service credit for substitute, part-time or any service other than regular full time teaching as provided in the rules and regulations of the board of trustees. Members placed on leave of absence may make contributions and receive service credit for such leave as provided in rules and regulations adopted by the board of trustees.

(2) Active members who have been granted leaves of absence since July 1, 1941, for reasons of health or to improve their educational qualifications, and did not make contributions to the teachers' retirement system may make contributions prior to December 31, 1983 under the following conditions:

(a) Such leave shall be verified by a copy of the board of education minutes which granted the leave of absence;

(b) The member shall contribute the required percentage based on the salary received for the year immediately preceding the leave of absence with interest at the rate of six percent (6%) compounded annually from the beginning of the school year next following the year of leave, and by depositing in the state accumulation fund an amount equal to the above sum; and

(c) The member may receive credit for no more than two (2) years under the provisions of this subsection.

HB 610, AN ACT relating to salary schedules for personnel in vocational schools and schools for the blind and the deaf.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 163.032 is amended to read as follows:

(1) The Kentucky department of education, with assistance from the Kentucky department of personnel, shall develop a salary structure that will enable teachers in the state-supported vocational schools, the Kentucky school for the deaf, and the Kentucky school for the blind to be initially employed at a starting salary that is not lower than the average salary paid to beginning classroom teachers by all schools in that vocational region for personnel with comparable qualifications and experience. The salary schedules shall be computed prior to July 1 of each year and shall be based on the regular one hundred eighty-five (185) day school year. Salaries for extended employment shall be computed at the same rate as the regular pay.

(2) Schedules for the 1980-81 school year shall be developed by August 1, 1980, and shall be initiated at the beginning of the 1980-81 school year.

(3) By August 1 of each year a salary schedule shall be developed for the state-supported area vocational education center coordinators that will provide a salary not less than the average salary paid to public school principals with comparable qualifications and experience.

HB 732, AN ACT relating to school district finances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board for elementary and secondary education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) (a) Notwithstanding any statutory provisions to the contrary, [~~no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate,~~

~~respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years,~~] no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the *maximum* general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565*; and except that a district board of education having no certified current year assessment by November 1, may levy and collect taxes on a rate up to and including the maximum general tax rate, voted general tax rate, or voted building tax rate which was levied the previous year on the assessment for that year plus net assessment growth for the current year.*

(b) In the event that an election is held as provided for in KRS 132.017 and the question on the ballot should fail, such failure shall not reduce the ". . .*maximum* general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year. . .", referred to in subsection (2)(a) of this section, for purposes of computing the general tax rate, voted general tax rate, or voted building tax rate for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by June 30 of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 , and the amount of revenue expected to be produced by each.

(5) Upon completion of action on property assessment data the department of revenue shall submit to the superintendent of public instruction, certified property assessment data as required in KRS 133.125.

(6) Within thirty (30) days after the district board of education has received its assessment data, *or by December 1 if no assessment data has been received by November 1 and the board elects to proceed under the provisions of subsection (2)(a) of this section,* three (3) copies of the budget shall be forwarded to the state board for elementary and secondary education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board for elementary and secondary education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board for elementary and secondary education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board for elementary and secondary education, or fails to comply with the law; and the state board for elementary and secondary education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board for elementary and secondary education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board for elementary and secondary education.

(9) Each district board of education shall, if required by the state board for elementary and secondary education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board for elementary and secondary

education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, *or a district board of education proposing to levy a rate based upon no current year's assessment data being available by November 1,* shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them, *except where such are not then available due to current year assessment data not then being available*;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current *or previous* year property tax roll, *depending on which is the latest available.*

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11) (a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, *and except in the case of a tax levy because of the failure to receive current assessment data by November 1 under subsection (2)(a) of this section,* levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, *subject to the exceptions in subsection (11)(a) of this section, when the rate or rates* [~~except as provided in KRS 157.565, which~~] will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

HB 742, AN ACT relating to elimination of extra service for school administrators.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.760 is amended to read as follows:

(1) Each board of education shall cause notice to be given annually not later than July 1 to each teacher who holds a contract valid for the succeeding school year, stating the best estimate as to the salary to be paid such teacher during such year. Such salary shall not be lower than the salary paid during the preceding school year unless such reduction be a part of a uniform plan affecting the entire district, or unless there is a reduction *of* [~~or elimination of extra service, administrative and/or supervisory duties and~~] responsibilities [~~of the teacher or other certified personnel~~]. [~~Upon requests by the teacher, any reduction or elimination of extra service, administrative and/or supervisory duties and responsibilities shall be accompanied by a written statement of the specific reason or reasons for such reduction or elimination. But~~] Nothing herein shall prevent increases of salary after the board's annual notice has been given. All teachers who refuse assignment shall notify the superintendent in writing not later than July 15. Reassignment of certificated personnel after July 15 shall be made only to fill vacancies created by illness, death or resignations; to reduce or increase personnel because of a shift in school population; to make personnel adjustments after consolidation or merger; to assign personnel according to their major or minor fields of training.

(2) Upon recommendation of the superintendent and approval of the board of education reduction of responsibility for a teacher may be accompanied by a corresponding reduction in salary[~~;~~] provided that written notification setting forth the specific reason or reasons for [~~such~~] reduction *in responsibility* shall be furnished *to* the teacher not later than May 15.

(3) Employment of a teacher, under either a limited or a continuing contract, is employment in the school district only and not in a particular position or school.

Committee Title Amendment to **HB 742** is as follows:

Amend printed copy of **HB 742,** page 1, line Title, by deleting "school administrators" and inserting the word "teachers" in lieu thereof.

The Committee on Health and Welfare reported **HB 618, HB 771** with Committee Amendment attached thereto, **SB 197** with Committee Amendment attached thereto, **SB 198, SB 235,** and **SB 296** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 618, AN ACT relating to psychologists and psychology.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 319.005 is amended to read as follows:

No person not licensed or certified as provided in KRS *Chapter 319* [~~319.005 to 319.131~~] shall engage in any practice [~~which in the judgment of~~] the board *finds* [~~of examiners~~] constitutes the practice of psychology as defined in *this Act* [~~KRS 319.010~~], and is against the public interest. [~~No person shall use the title of "psychologist" in this state without a license granted by said board of examiners and signed by each member thereof.~~] No person not licensed *or certified* as provided in KRS *Chapter 319* [~~319.005 to 319.131~~] shall hold himself out [~~to the public~~] by any title or description of services representing himself as a psychologist which incorporates the words "psychological," "psychologist," or "psychology"; except as such usage of title *or* [~~and/or~~] description is authorized by *this Act* [~~the board~~]. The use of the title "psychologist" and the description of services cited above is authorized to those who apply for and are granted certificates within two (2) years after June 18, 1964 as long as they maintain such certificates.

SECTION 2. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context requires otherwise:

(1) "Association" means the Kentucky psychological association.

(2) "Board" means the Kentucky board of examiners of psychology.

(3) "Practice of psychology" means rendering or offering to render to individuals, families, groups, organizations, or the public any services directed toward correcting behavioral, emotional, cognitive, or other psychological problems, or toward enhancing the competency of behavioral, emotional, cognitive, or other psychological coping skills. It includes, but is not restricted to, the assessment, diagnosis, prevention, treatment, or amelioration of psychological problems or emotional or mental or nervous disorders or dysfunctions of individuals, families, or groups; or the determination of mental or emotional disabilities; or the assessment or improvement of psychological adjustment or functioning of individuals, families, or groups, whether or not there is a diagnosable pre-existing psychological problem; or the diagnosis or treatment of behavior patterns or emotional or psychological problems that may have a direct or indirect

causative relationship to either actual or potential physical illness; or the diagnosis, treatment, or amelioration of the psychological aspects of injury, dismemberment, disease, illness, or dying.

(4) "Psychological procedures" means all procedures that in any way facilitate the practice of psychology, provided that they are allowed by and in accordance with rules and regulations established by the board.

(5) "Psychologist" means any person who holds himself out by any title or description of services incorporating the words "psychologic," "psychological," "psychologist," "psychology," "psychopractic," or any other term or terms that imply he is trained, experienced, or an expert in the field of psychology.

Section 3. KRS 319.015 is amended to read as follows:

Nothing in this chapter shall be construed to limit [~~or authorize~~]:

(1) The activities, services, and use of title on the part of a person in the employ of the federal government or accredited institutions of higher education, insofar as such activities and services are a part of the official duties in this salaried position. [~~;~~]

(2) *Persons licensed, certified, or registered under any other provision of the Kentucky Revised Statutes from practicing those arts and utilizing psychological procedures within the scope of their practices and within the standards and ethics of their profession or within new areas of practice that represent appropriate extensions of their profession, provided that they do not hold themselves out as psychologists.* [~~The professional pursuits of clergymen, practitioners of medicine or dentistry, or lawyers, from full performance of their professional duties, or the activities in their normal professional pursuits of social workers, sociologists, probation or parole officers, and marriage counselors, who meet the qualifications of education or experience for full membership in the national organization of their respective fields, or the American Speech and Hearing Association;~~]

(3) The activities of a student, intern, or resident in psychology, pursuing a course of study approved by the department of psychology of an educational institution rated acceptable *by the board* [~~under KRS 319.040~~] for qualifying training and experience, provided such activities constitute a part of his supervised course of study. [~~; or~~]

(4) The recognized educational activities of teachers in accredited public and private schools, or the authorized duties of guidance counselors, [~~and~~] psychometricians *and school psychologists* who are certified by the state board of education, [~~or special education supervisor in state department of education,~~] or the activities of persons using psychological techniques in business and industrial organizations for employment placement, promotion, or job adjustment of their own officers and employes. [~~However, no industrial or business firm or corporation may sell or offer to the public or to other firms or corporations for remuneration any psychological services as specified in this law, unless such services are performed or supervised by individuals duly and appropriately licensed under KRS 319.005 to 319.131.~~]

(5) *A duly ordained minister, priest, rabbi, or clergyman from carrying out his responsibilities while functioning in his ministerial capacity within a recognized religious organization serving the spiritual needs of its constituency, provided he does not hold himself out as a psychologist.*

(6) Any nonresident temporarily employed in this state to render psychological services for not more than thirty (30) days every two (2) years who holds a valid current license or certificate that would allow such practice in his home state or home country and who registers with the board [~~The board of examiners may, at its discretion, establish additional exclusions by majority action when such exclusions are deemed to be in the public good~~].

Section 4. KRS 319.020 is amended to read as follows:

(1) The [~~state~~] board [~~of examiners of psychologists~~] shall consist of *seven (7)* [~~five (5)~~] members appointed by the governor. Four (4) members shall be licensed psychologists. *Two (2) members shall be certified by the board as certified psychologists or psychological specialists.* One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated.

(2) Licensed [~~The governor shall appoint from a list of ten (10) submitted to him by the Kentucky psychological association four (4) psychologists holding the degree of doctor of philosophy or its equivalent in psychology from an accredited educational institution and eligible for licensing under the provisions of this chapter to be members of the board of examiners of psychologists. The governor shall appoint members, for terms of four (4) years and until their successors are appointed and qualified.~~] psychologist members shall be appointed from a group of three (3) nominees for each position to be filled, the nominees to be selected by *all* [~~the~~] psychologists licensed under *KRS Chapter 319* [~~KRS 319.005 to 319.131~~] from a list of eligible candidates prepared by the Kentucky psychological association. *Candidates shall be solicited from all psychologists licensed according to the provisions of this chapter.* [~~, and~~] Each nominee shall be a *resident of this state* [~~psychologist~~] licensed according to the provisions of this chapter[~~. Each psychologist member shall be an elector of this state~~] and shall have engaged in the practice *or* [~~of~~] teaching of psychology *as a licensed psychologist* for at least three (3) years in this state [~~or elsewhere in the United States~~].

(3) Certified members shall be appointed from a group of three (3) nominees for each position to be filled, the nominees to be selected by all psychologists and psychological specialists certified under KRS

Chapter 319 from a list of eligible candidates prepared by the association. Candidates shall be solicited from all psychologists and psychological specialists certified according to the provisions of KRS Chapter 319. Each nominee shall be a resident of this state certified according to the provisions of KRS Chapter 319 and shall have engaged in the practice of psychology as a certified psychologist or psychological specialist for at least three (3) years in this state.

(4) The term of each board member shall be four (4) years and until his successor is appointed and qualified, except that in 1982, one (1) certified member shall be appointed for a term of two (2) years and one (1) certified member shall be appointed for a term of four (4) years. No member shall serve more than two (2) consecutive full terms [~~Annually the board shall elect one (1) of its members as chairman~~]. The governor shall fill any vacancy occurring in the board in the manner [~~and at the time~~] prescribed above. Upon recommendation by a majority of the board members and after notice and a hearing [~~by them~~], the governor shall remove any member for incompetence, neglect of duty or malfeasance in office.

(5) Four (4) [~~Three (3)~~] members of the board shall *constitute* [~~be~~] a quorum. *Annually the board shall elect one (1) of its members as chairman. No person shall serve more than two (2) consecutive terms as chairman. The board shall meet at least twice annually and at such other times as it determines. Special meetings may be called by the chairman and shall be called upon the written request of two (2) members.* Each member shall receive *seventy-five* [~~fifty~~] dollars *($75)* [~~($50)~~] per day for attending each meeting and shall receive his necessary expenses incurred in the performance of the duties required by this chapter. [~~The board is responsible for preparation or selection and administration of written examinations on general psychological knowledge and on the appropriate psychological specialty or specialties of the applicant as required by this chapter and for recommending licensure or certification under the provisions of this chapter. A schedule of fees for licensure, certificates, and temporary permits shall be established and amended, as necessary, by the board of examiners. The board is authorized to collect said fees. The board is empowered to question violation of this law and to bring suit against such violators. The board may employ necessary personnel for the performance of its functions, determine the classifications and functions of such personnel, and fix the compensation thereof, within the limits of funds available to the board.~~]

Section 5. KRS 319.030 is amended to read as follows:

(1) On June 30 of each year the board shall submit to the governor a written report *including* [~~. Such report shall include the~~] names of all psychologists to whom licenses or certificates have been granted as provided in KRS *Chapter 319 and* [~~319.050 and 319.061 and certificates as provided in KRS 319.055,~~] any cases heard and decisions rendered [~~in relation to the doings of said board as to future policies. Each member of the board shall review and sign such report before its submission to the governor. Failure of not more than two (2) members to sign the report does not preclude submission~~].

(2) The principal office of the board shall be in Frankfort, but it may meet or conduct any of its business at any place in this state.

(3) The board *shall keep a record of its proceedings and a register of licensed and certified psychologists and psychological specialists. The books and records of the board shall be prima facie evidence of the matters therein contained* [~~may empower any member to conduct any proceeding, hearing, or investigation necessary to its purpose~~].

SECTION 6. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

The board shall:

(1) Issue rules and regulations establishing requirements, standards and tests to determine the moral, intellectual, educational, scientific, technical and professional qualifications of applicants for licenses or certificates, and prepare or select and administer examinations on general psychological knowledge and on the appropriate psychological specialty or specialties of the applicant. Certificate holders shall not participate in the examination of applicants for licensure.

(2) Issue, deny, suspend and revoke licenses and certificates, and place licensees and certificate holders on probation.

(3) Establish and collect reasonable fees for directories, for transcribing and transferring records and other services.

(4) Conduct hearings or appoint hearing officers to conduct hearings on any matter under the jurisdiction of the board. Every such hearing officer shall cause to be prepared and furnished to the board, for decision thereon by the board, a complete written transcript or mechanical recording of the hearing which shall contain all evidence introduced at the hearing and all pleas, motions and objections and all rulings of the hearing officer.

(5) Promulgate a code of conduct governing the practice of psychology which shall be based upon generally recognized principles of professional ethical conduct.

(6) Enter into reciprocal agreements with boards of examiners of psychology of other states having qualifications and standards at least as high as those of this state providing for reciprocal licensure or certification. An individual whose qualifications meet or exceed the standards for licensure in Kentucky may

be licensed without examination. An individual whose qualifications meet or exceed the standards for certification in Kentucky may be certified without examination.

(7) Determine the schools, colleges, universities, institutions and training acceptable in connection with licensure or certification under this chapter.

(8) Employ whatever assistance it considers necessary for the performance of its functions, determine the classifications and functions of personnel, and fix their compensation, within the limits of funds available to the board.

(9) Investigate complaints or suspected violations of KRS Chapter 319 and notify proper law enforcement authorities. For the purpose of enforcing the provisions of this Act, the board shall have the authority to administer oaths, seize evidence, interrogate all persons, and require the production of books, papers, documents or other evidence. No board member investigating a complaint or violation shall participate in the deliberations or decisions of the board in any disciplinary action pursuant to or as a result of such investigation.

(10) Promulgate regulations governing the supervision of certified psychologists and psychological specialists.

(11) Perform all other functions necessary to carry out the provisions of law and the rules and regulations adopted by the board relating to psychologists and the practice of psychology.

Section 7. KRS 319.050 is amended to read as follows:

(1) Before granting a license to practice psychology and to use the title "*licensed* psychologist" the board shall require *the* [~~any~~] applicant [~~therefor~~] to pass *an* [~~a written~~] examination in psychology [~~to be given at such time and place and under such supervision as the board prescribes~~]. *The* [~~Such~~] applicant shall pay a fee of *one hundred dollars* [~~not to exceed~~] ($100) to the board [~~of examiners~~] at the time of application. The applicant shall satisfy the board that he*:*

(a)[~~(1)~~] Is at least eighteen (18) years of age;

(b)[~~(2)~~] Is of good moral character;

(c)[~~(3) Is a citizen of the United States or has legally declared his intention of becoming one;~~

~~(4)~~] Has received a degree of Doctor of Philosophy or its equivalent in psychology from an educational institution rated [~~as~~] acceptable *by the board* [~~as provided in KRS 319.040~~]*; and*

(d)[~~(5)~~] Has had at least one (1) *year of supervised professional* [~~year's~~] experience [~~of a type~~] satisfactory to the board [~~in the practice of psychology; and~~

~~(6) Has not within the preceding six (6) months failed any examination given by the board~~].

(2) Upon acceptance of the application to sit for the examination in psychology, the applicant may practice psychology under the direct supervision of a licensed psychologist until he successfully completes all licensure requirements.

(3) The board shall grade *and keep* the examinations [~~returned by the candidates and shall keep them~~] for at least one (1) year. Any unsuccessful *applicant* [~~candidate~~] may, upon written request to the board, arrange to discuss his performance on the examination.

(4) Licensed psychologists may function without supervision and may employ and supervise certified psychologists and psychological specialists.

SECTION 8. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) A person currently certified to perform certain functions within the practice of psychology without supervision and authorized to use the title "certified psychologist with autonomous functioning" may continue to function without supervision in the area specified on the certificate unless the board revokes his certificate pursuant to Section 13 of this Act.

(2) A person currently certified to perform certain functions within the practice of psychology under the supervision of a licensed psychologist and to use the title "certified psychologist" may continue to function under the supervision of a licensed psychologist in the area specified on the certificate unless the board revokes his certificate pursuant to Section 13 of this Act.

SECTION 9. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) A person certified to perform certain functions within the practice of psychology prior to January 1, 1984, or an applicant for certification who is admitted prior to January 1, 1984, to sit for the certification examination may apply for a certificate to practice without supervision and to use the title "certified psychologist with autonomous functioning" by submitting to the board a letter of endorsement to sit for the examination from his supervisor, paying a fee of one hundred dollars ($100) and satisfying the board that he:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character;

(c) Has received a master's degree in psychology acceptable to the board from an educational institution rated acceptable by the board; and

(d) Has completed three (3) years of supervised professional experience satisfactory to the board.

(2) The board shall require any applicant for a certificate under this section to pass an examination in psychology of the same level as required for licensure.

(3) The board shall grade and keep the examinations for at least one (1) year. Any unsuccessful applicant may, upon written request to the board, arrange to discuss his performance on the examination.

(4) The board shall not admit candidates to the examination for certification under this section after December 31, 1988.

(5) A certified psychologist who has been granted autonomous functioning may function without supervision in areas in which he is certified. He shall not supervise certified psychologists or psychological specialists.

SECTION 10. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) Prior to January 1, 1984, the board shall issue a certificate to perform certain functions within the practice of psychology and to use the title "certified psychologist" to any applicant who pays a fee of one hundred dollars ($100) and satisfies the board that he:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character;

(c) Has a master's degree in psychology acceptable to the board from an educational institution rated as acceptable by the board; and

(d) Has passed an examination in psychology.

(2) The board shall grade and keep the examinations for at least one (1) year. An unsuccessful applicant may, upon written request to the board, arrange to discuss his performance on the examination.

(3) Any psychologist certified pursuant to this section may perform certain functions within the practice of psychology only under the supervision of a licensed psychologist, and shall not employ or supervise certified psychologists or psychological specialists.

SECTION 11. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) After January 1, 1984, the board shall issue a certificate to perform certain functions within the practice of psychology and to use the title "psychological specialist" to any applicant who pays a fee of one hundred dollars ($100) and satisfies the board that he:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character;

(c) Has a master's degree in psychology acceptable to the board from an educational institution rated as acceptable by the board; and

(d) Has passed an examination in psychology.

(2) The board shall grade and keep the examinations for at least one (1) year. Any unsuccessful applicant may, upon written request to the board, arrange to discuss his performance on the examination.

(3) Any psychological specialist certified pursuant to this section may perform certain functions within the practice of psychology only under the supervision of a licensed psychologist and shall not practice, independently, except under the employment and supervision of a licensed psychologist. A psychological specialist shall not represent himself as a licensed or certified psychologist. A psychological specialist shall not employ or supervise certified psychologists or psychological specialists.

Section 12. KRS 319.071 is amended to read as follows:

(1) Licenses *and certificates* must be renewed every three (3) years on or before the anniversary date of issue or renewal. *Licensees and certificate holders* [~~A license holder~~] shall pay to the board [~~of examiners~~] a renewal fee *of seventy-five dollars* [~~not to exceed~~] ($75) and shall receive a renewal license *or certificate.* [~~Certificates of qualification must be renewed every three (3) years on or before the anniversary date of issue or renewal by payment to the board of examiners of a renewal fee and the certificate holder shall receive a renewal certificate.~~] *The board* [~~Any license or certificate~~] shall *cancel any* [~~be canceled if the holder fails to secure the renewal~~] license or certificate *not renewed* within three (3) months *of* [~~after~~] the renewal date, but *the board may reinstate* any *cancelled* license or certificate [~~so canceled may be restored by the board~~] upon payment of *the renewal* [~~a~~] fee *of seventy-five dollars ($75) and a penalty not to exceed the renewal fee* within one (1) year after cancellation. *A licensee or certificate holder whose license or certificate has been cancelled shall not practice psychology until the license or certificate has been restored.*

(2) Any licensee or certificate holder who has failed to renew his license or certificate or has been inactive for five (5) or more consecutive years may renew his license or certificate only upon passing an examination and paying the renewal and penalty fees.

(3) Upon petition to the board, licensees or certificate holders may be granted inactive status for a period of time not to exceed five (5) consecutive years. Licensees and certificate holders shall not practice psychology while under inactive status and certificate holders need not be supervised by a licensed psychologist. Inactive licensees or certificate holders may apply for active licenses or certificates as provided for by regulation of the board.

Section 13. KRS 319.081 is amended to read as follows:

(1) The board may suspend[~~, upon investigation and upon action by the majority of its members,~~] any [~~such~~] license or certificate for a definite period not to exceed one (1) year, or may revoke either *a* license or certificate, or may refuse to issue or renew a license or certificate, *or may place a licensee or certificate holder on probation, upon proof that the licensee or certificate holder has:*

(a) Knowingly made or caused to be made any false, fraudulent or forged statement in connection with an application for a license or certificate;

(b) If the holder has been convicted of a felony *or of any offense involving moral turpitude;*

(c) Engaged in [~~, has been found by the board to have employed fraud or deceit in obtaining either the license or certificate, is guilty of~~] professional misconduct as a consequence of *the use of intoxicating substances;*

(d) Engaged in unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public, as defined by regulation of the board;

(e) Performed [~~habitual drunkenness or habitual addiction to the use of habit forming drugs, or has acted negligently or wrongfully in the conduct of his profession, or not in conformance with the code of ethics of the American Psychological Association or has been found performing~~] functions outside the area of certification*;*

(f) Engaged in the practice of psychology [~~or has been found to be performing the function or functions specified on the certificate of qualification~~] without the requisite immediate supervision of a licensed psychologist *as defined in Sections 8, 10 and 11 of this Act;*

(g) Violated any order of suspension, or the terms or conditions of any order of probation, issued by the board;

(h) Had his license or certificate to practice psychology in any other state, territory or foreign nation revoked, suspended, restricted or has been subjected to other disciplinary action by the licensing or certifying authority thereof;

(i) Wilfully communicated or authorized communication of information received in professional confidence;

(j) Accepted commissions or rebates or other forms of remuneration for referring persons to other professionals; and

(k) Been adjudicated incompetent or mentally ill. The license or certificate may be issued or restored only if a court finds him restored to competency or no longer mentally ill. The board may require an examination in psychology prior to its decision on issuance or reinstatement of the license or certificate.

(2) No unlawful act or violation of any provision of this chapter by any certificate holder employed or supervised by a licensed psychologist shall be cause for the revocation of his license unless the board finds that the licensed psychologist had knowledge of it.

(3) [~~After~~] Three (3) years from the date of a revocation, *any person whose license or certificate has been revoked may petition the board for reinstatement. The board shall investigate his petition and may reinstate his license or certificate upon finding that the former holder has complied with any reasonable regulations prescribed by the board and is again able to engage in the practice of psychology with reasonable skill, competency and safety to the public* [~~an application for reinstatement may be made to the board, and it may, upon favorable action by the majority of its members, grant such reinstatement~~]. The board may, at its own discretion, *reconsider, modify or* [~~review and~~] reverse its *probations,* suspensions, revocations or refusals to issue or renew licenses or certificates at any time.

SECTION 14. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) In every proceeding for probation, suspension or revocation of a license or certificate, the licensee or certificate holder shall be furnished with written notice setting out each offense charged with sufficient detail to apprise him of the nature, time and place thereof at least twenty (20) days prior to the hearing. The notice is sufficient if served on the licensee or certificate holder personally or by certified mail, return receipt requested, to his last known address. The nonappearance of the licensee or certificate holder shall not prevent a hearing. The board or a hearing officer appointed by the board shall conduct the hearing. The licensee or certificate holder shall have the right to be present in person or by counsel, to present evidence and to be heard in opposition to the charges. If the licensee or certificate holder fails to respond to the complaint at or before the time of the hearing thereon, the board shall take the allegations set forth in the complaint as confessed.

(2) The board or the hearing officer shall have the authority to issue subpoenas for the attendance of witnesses and the production of papers and records, administer oaths and schedule hearings. All decisions revoking or suspending a license or certificate or placing a licensee or certificate holder on probation shall be made by the board.

(3) Orders of the board suspending or revoking a license or certificate or placing a licensee or certificate holder on probation shall become effective thirty (30) days after written notice is served on the licensee

or certificate holder, unless an earlier date is necessary to protect the public health, welfare and safety in which case the order shall become effective as of the date specified and the licensee or certificate holder shall not, after notice of same, engage or continue to engage in the practice of psychology unless the board's order is revoked or modified by a final order or judgment.

(4) Any person aggrieved by an order of the board may within thirty (30) days after notice thereof appeal thereupon to the Franklin circuit court. The court shall decide the appeal upon the certified record and no new or additional evidence shall be heard or considered by the court.

(5) A party aggrieved by a final order of the circuit court may appeal to the court of appeals as in a civil action.

Section 15. KRS 319.111 is amended to read as follows:

[~~For the purpose of KRS 319.005 to 319.131,~~] The confidential relations and communications between licensed *psychologists* [~~psychologist~~] or [~~holder of~~] certificate *holders* [~~of qualification~~] and *their clients* [~~client~~] are placed upon the same basis as those provided by the law between attorney and client, and nothing in this chapter shall be construed to require any such privileged communication to be disclosed.

SECTION 16. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

(1) Members of the board, its agents and employes shall be immune from personal liability in any action, civil or criminal, which is based upon any official act or acts performed by them in good faith.

(2) Notwithstanding the existence or pursuit of any other remedy, civil or criminal, the board is hereby authorized to institute and maintain actions to restrain or enjoin any violation of this chapter, or the rules and regulations of the board.

(3) City, county and commonwealth's attorneys, and the attorney general, shall within their respective jurisdictions represent the board, its agents and employes, in the enforcement of the provisions of KRS Chapter 319 and the rules and regulations of the board.

SECTION 17. A NEW SECTION OF KRS CHAPTER 319 IS CREATED TO READ AS FOLLOWS:

No industrial or business firm or corporation may sell or offer to the public or to other firms or corporations for remuneration any psychological services as specified in KRS Chapter 319, unless the services are performed or supervised by individuals licensed or certified under KRS Chapter 319.

Section 18. KRS 319.990 is amended to read as follows:

Any person who violates any *provision* [~~of the provisions~~] of KRS *Chapter 319* [~~319.005~~] shall be guilty of a misdemeanor and, upon conviction, shall be punished by imprisonment for not more than six (6) months, or by a fine of not more than five hundred dollars ($500), or by both such fine and imprisonment, and each violation shall be deemed a separate offense.

Section 19. The following KRS sections are repealed:

319.010	Practice of psychology defined.
319.040	Acceptance of ratings by other agencies and institutions.
319.055	Certificates of qualification — Issuance — Effect — Fee.
319.061	License issued without examination — When.
319.065	Temporary permits — Fee.
319.091	Notice and hearing on refusal, revocation or suspension.
319.101	Judicial review of refusal to issue, revocation or suspension.

HB 771, AN ACT relating to the collection of fees for birth certificates to be used in preventing child abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 213.190 is amended to read as follows:

(1) The department for human resources shall, upon request, furnish any applicant a certified copy of the record of any birth, death, or other record registered with such department as provided by law when the department is satisfied that the applicant has a direct, tangible and legitimate interest in the information or record requested. *Any such certified copy shall be prima facie evidence of the facts therein stated.*

(2) The applicant shall pay a reasonable fee set by regulation promulgated by the secretary for human resources which shall not exceed four dollars ($4.00) for a copy of a [~~birth,~~] death[~~,~~] or other certificate or search of the files, if no copy is found. *The applicant shall pay a fee of five dollars ($5.00) for a copy of a birth certificate, one dollar ($1.00) of which shall be collected for use by the department for human resources for the sole purpose of developing, operating or contracting for the development or operation of private, not for profit self-help groups for parents who want to prevent or cease their physical, sexual or*

mental abuse of their children [~~Any such certified copy shall be prima facie evidence of the facts therein stated~~].

(3)[~~(2)~~] No fee or compensation shall be allowed or paid for furnishing certificates of birth or death required in support of any claim against the government for compensation, insurance, back pay or other allowances of any person who has at any time served as a member of the army, navy, marine corps or air force of the United States.

Committee Amendment No. 1 to **HB 771** is as follows:

Amend printed copy of **HB 771,** page 1, line 19, by deleting after the word "*of*" the following: "*developing, operating or*"

and on line 20, by deleting after the word "*The*" the following: "*development or*"

SB 197, AN ACT relating to tuberculosis.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 214.034 is amended to read as follows:

Except as otherwise provided in KRS 214.036*:* [~~,~~]

(1) All parents, guardians, and other persons having care, custody or control of any child shall have the child tested for tuberculosis and immunized against diphtheria, tetanus, poliomyelitis, pertussis, rubeola, and rubella in accordance with testing and immunization schedules established by regulations of the department for human resources and shall have any child found to be infected with tuberculosis tested, examined and treated according to regulations of the department for human resources. Such persons shall also have booster immunizations administered to the child in accordance with the regulations of the department for human resources.

(2) Each child entering the public schools shall have proof of having been tested for tuberculosis prior to enrollment. Following the first year of school, upon an epidemiological determination made by the state or regional health officer in accordance with regulations established by the department for human resources, all parents, guardians, and other persons having care, custody or control of any child shall have the child tested for tuberculosis, and shall have any child found to be infected with tuberculosis tested, examined and treated according to regulations of the department for human resources.

Section 2. KRS 215.520 is amended to read as follows:

The secretary for human resources shall discharge all duties relating to all matters of tuberculosis control, including but not limited to the following:

(1) The operation of all hospitals previously operated by the state tuberculosis hospital commission, or such of them as it determines to be necessary for the care of persons needing treatment for tuberculosis;

(2) [~~The treatment of persons having tuberculosis in hospitals not operated by the Commonwealth, by contract or other suitable arrangement and the payment therefor;~~

~~(3) The construction of additional facilities for the treatment of tuberculosis in cooperation with, or as a part of, privately or publicly owned hospitals;~~

~~(4)~~] The operation of a system of out-patient clinics and x-ray facilities, adequately supported by high quality laboratory facilities;

(3)[~~(5)~~] The provision of training for employes;

(4)[~~(6)~~] The supervision of activities of all local health departments regarding tuberculosis control;

(5)[~~(7)~~] The adoption of regulations for tuberculosis control;

(6)[~~(8)~~] The maintenance of a central register of all known cases of tuberculosis in the Commonwealth, and such local registers as are desirable, and the collection, collation, analysis and publication of statistics and other information;

(7)[~~(9)~~] The establishment and supervision of tuberculosis programs in cooperation with the bureau of corrections, department of education, and other state agencies within their respective jurisdictions;

(8)[~~(10)~~] The establishment within the department of appropriate social service and financial responsibility appraisal methods to insure that tuberculosis patients or suspects receive all possible support from third-party payors, or from the medical assistance program before becoming a charge against the tuberculosis control funds of the Commonwealth;

(9)[~~(11)~~] The dissemination of educational materials to the citizens of the Commonwealth regarding tuberculosis and its control;

(10)[~~(12)~~] The initiation of special programs and demonstrations in cooperation with agencies of the federal government, universities, voluntary agencies and other individuals or corporations;

(11)[~~(13)~~] The provision of direct assistance to local health departments, to other agencies of state government, and to other organizations to assist them in carrying out programs of tuberculosis control;

(12)[~~(14)~~] Except as otherwise provided by law, to do all other things reasonably necessary to carry out the intent of this section and KRS *215.540* [~~215.530~~] to 215.600.

Section 3. KRS 215.570 is amended to read as follows:

(1) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has not submitted to an examination to determine the communicability of his disease as required by subsection (1) of KRS 215.550, the court shall enter an order directing that an examination be conducted as provided in KRS 215.560.

(2) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has been diagnosed as having communicable tuberculosis and has refused to take such reasonable precautions, including hospitalization if indicated, as may be required by the local health department or by the regulations of the department for human resources to protect the public from infection, as provided in subsection (2) of KRS 215.550, he shall be guilty of a misdemeanor and shall be punished by a fine of five hundred dollars ($500) or by imprisonment for six (6) months, or both. Provided, however, That the court may place the defendant on probation provided he consents to enter, and does forthwith enter an institution approved by the court for treatment of such condition and remains therein until medically discharged by said institution. Failure of the defendant to do so shall automatically revoke his probation and require the prompt entry of judgment and service of sentence in the county jail if suitable facilities are available or to such other facilities as *the county may provide* [~~may be established or contracted for by the department for human resources for this purpose~~].

Section 4. KRS 215.530 Tuberculosis commission — Membership — Chairman — Meetings — Compensation — Function, is repealed.

Committee Amendment No. 1 to **SB 197** is as follows:

Amend printed copy of **SB 197,** page 4, by deleting lines 11 through 26 in their entirety.

And on page 5, lines 1 through 15, by deleting lines 1 through 15 in their entirety.

And on page 5, line 16, by renumbering "Section 4" as "Section 3"

SB 198, AN ACT relating to the department for human resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 211.842 is amended to read as follows:

(1) The department for human resources is the radiation control agency of the state of Kentucky.

(2) The department for human resources *or its designee* shall issue licenses pertaining to radioactive materials and require registration of other sources of ionizing radiation.

(3) The department for human resources shall develop and conduct programs for evaluation and control of hazards associated with the use of any and all sources of ionizing and electronic product radiation.

(4) The department or its duly authorized representative may enter at any reasonable time upon the property of any licensee, registrant or other person where sources of ionizing or electronic product radiation are reasonably believed to be located for the purpose of determining whether or not such licensee, registrant or other person is in compliance with or in violation of the provisions of KRS 211.842 to 211.852 and rules and regulations promulgated hereunder, and the owner, occupant, or person in charge of such property shall permit such entry and inspection; provided, that entry into areas under the jurisdiction of an agency of the federal government or its duly designated representative shall be only upon permission of such agency or said representative.

Section 2. KRS 211.848 is amended to read as follows:

(1) The secretary for human resources shall fix a reasonable schedule of fees and charges, by regulation, to be paid by applicants for registration of radiation producing machines and radioactive material licenses and for renewal of such certificates and licenses. The secretary shall also prescribe, by regulation, a reasonable schedule of fees to be paid by registrants and licensees for inspections and environmental surveillance activities conducted by the department *or its designee.*

(2) All fees and charges collected by the department for human resources under the provisions of KRS 211.842 to 211.852 or the rules and regulations adopted pursuant to KRS 211.844 shall be paid into the state treasury and credited to a trust and agency fund to be used by the department for human resources in carrying out the provisions of KRS 211.842 to 211.852.

(3) State and local governmental agencies shall be exempt from the payment of fees but shall comply with the other provisions of KRS 211.842 to 211.852.

Section 3. KRS 211.920 is amended to read as follows:

As used in KRS 211.925 to 211.945, unless the context otherwise requires:

(1) "Department" shall mean the department for human resources *or its designee*.

(2) "State confinement facility" shall mean a penal or correctional facility or juvenile detention or treatment facility operated by or under the supervision of the commonwealth of Kentucky.

(3) "Local confinement facility" shall mean a penal or correctional facility or juvenile detention or treatment facility operated by or under the supervision of any county, city, or metropolitan government or any other subdivision of the commonwealth of Kentucky.

(4) "Public health and health" shall mean and include, but shall not be limited to, all environmental, dental, mental, medical, and nutritional aspects of the health of persons confined in a state or local confinement facility.

Section 4. KRS 218A.240 is amended to read as follows:

(1) It is hereby made the duty of all peace officers within this state, the state police, the department for human resources, their officers and agents, and of all city, county, and commonwealth's attorneys, and the attorney general, within their respective jurisdictions, to enforce all provisions of this chapter and cooperate with all agencies charged with the enforcement of the laws of the United States, of this state, and of all other states relating to controlled substances.

(2) For the purpose of enforcing the provisions of this chapter, the designated agents of the department for human resources shall [~~have the full power and authority of peace officers in this state, including the power of arrest and the authority to bear arms, and shall~~] have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, to interrogate all persons, to require the production of prescriptions, of books, papers, documents or other evidence, to employ special investigators, and to expend funds for the purpose of obtaining evidence.

(3) The Kentucky board of pharmacy, its agents and inspectors, shall have the same powers of inspection and enforcement as the department for human resources.

(4) Designated agents of the department for human resources and the Kentucky board of pharmacy are empowered to remove from the files of any pharmacy or other custodian any controlled substance prescription upon tendering a receipt therefor.

(5) Notwithstanding the existence or pursuit of any other remedy, civil or criminal, any law enforcement authority may maintain, in its own name, an action to restrain or enjoin any violation of this chapter.

(6) It shall be the duty of the department for human resources to make or cause to be made examinations of samples secured under the provisions of this chapter to determine whether or not any provision thereof has been violated.

Section 5. KRS 219.320 is amended to read as follows:

As used in KRS 219.330 to 219.410:

(1) "Secretary" means the secretary for human resources *or his designee*.

(2) "Department" means the department for human resources *or its designee*.

(3) "Mobile home" means a transportable dwelling unit suitable for year-round occupancy, which is manufactured on a chassis or undercarriage as an integral part thereof, containing facilities for water, sewage, bath and electrical conveniences.

(4) "Mobile home lot" means a parcel of land in a mobile home park for the placement of a single mobile home.

(5) "Mobile home park" means a parcel of land, under the control of any person, available to the public in which two or more mobile home lots are occupied or intended for occupancy by mobile homes and includes any service building, structure, enclosure or other facility used as a part of the park.

(6) "Park" means mobile home parks and recreational vehicle parks.

(7) "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a park.

(8) "Recreational vehicle" means any of the following:

(a) "Travel trailer" means a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreation or vacation.

(b) "Pick-up coach" means a structure designed to be mounted on a truck for use as a temporary dwelling for travel, recreation or vacation.

(c) "Motor-home" means a portable, temporary dwelling to be used for travel, recreation or vacation, constructed as an integral part of a self-propelled vehicle.

(d) "Camping trailer" means a canvas or other collapsible folding structure, mounted on wheels and designed for travel, recreation or vacation use.

(e) "Dependent recreational vehicle" means a recreational vehicle which does not have toilet, lavatory, or bathing facilities.

(f) "Self-contained recreational vehicle" means a recreational vehicle which can operate independent of connections to sewer, water and electric systems. It contains a water-flushed toilet, lavatory, shower or bath, kitchen sink, all of which are connected to water storage and sewage holding tanks located within the recreational vehicle.

(9) "Recreational vehicle park" means a parcel of land available to the public in which two or more recreational vehicle spaces are occupied or intended for occupancy by recreational vehicles for transient dwelling purposes and includes any service building, structure, enclosure or other facility used as a part of the park.

(10) "Recreational vehicle space" means a parcel of land in a recreational vehicle park for the placement of a single recreational vehicle.

(11) "Sanitary station" means a facility used for receiving and disposing of wastes from recreational vehicle holding tanks.

(12) "Service building" means a building containing water closets, urinals, lavatories and bathing facilities for use by persons using the park.

(13) "Watering station" means a facility for filling the water storage tanks of recreational vehicles with potable water from an approved water system.

Section 6. KRS 221.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Secretary" means the secretary for human resources *or his designee*;

(2) "Department" means the department for human resources *or its designee*;

(3) "Food" includes any article used by man for food, drink, confectionery or condiment, or which enters into the composition of the same whether simple, blended, mixed or compounded;

(4) "Frozen food locker plant" means a location or establishment in which space in individual lockers is rented to persons for storage of frozen food and which is equipped with a chill room, sharp freezing facilities and facilities for cutting, preparing, wrapping and packaging meats and meat products, fruits and vegetables;

(5) "Branch frozen food locker plant" means a location or establishment in which space in individual lockers is rented to persons for storage of frozen food after preparation for storage at a frozen food locker plant;

(6) "Sharp frozen" means the freezing of food in a room in which the temperature is zero (0) degrees Fahrenheit or lower.

SECTION 7. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in KRS 224.227 and 224.230 "secretary" means the secretary of the department for human resources.

Section 8. KRS 224.227 is amended to read as follows:

Each person engaged in such business for the purposes aforesaid shall file an application directly with the secretary *or his designee* with such information as he may require. The application shall state the nature of the business, the post office address of the applicant, and the post office address at or from which the business is to be continued. If the applicant shall operate a branch or other places of business, the application shall so state. The application shall state any additional information as the secretary may require. The application to engage in the business as herein defined shall be accompanied by a license fee of twenty-five dollars ($25.00), payable to the bureau for health services. If the secretary *or his designee*, after such investigation as *deemed* [~~he deems~~] necessary, is satisfied that the applicant has the qualifications, experience, reputation and equipment to perform the services in a satisfactory manner and not detrimental to the environment or to public health, he shall issue or cause to be issued a license for the said business. The application for such license shall be made to the secretary *or his designee* prior to March 1 of each year, and shall be accompanied by a surety bond tendered by a company registered in the Commonwealth of Kentucky, to indemnify persons for whom service and maintenance work is performed, if faulty; or with such sureties, form and sufficiency as shall be approved by the secretary. Such bonds shall be in the amount of one thousand dollars ($1,000) for residents of the state of Kentucky and five thousand dollars ($5,000) for nonresidents. The secretary shall be the obligee, and the bond shall be for the benefit and purpose to protect all persons damaged by faulty workmanship in the servicing or maintaining of septic tanks, cesspools or seepage pits, and shall guarantee the appearance of the licensee to answer any summons within thirty (30) days of notice to the bonding company of the issuance of such summons. Such bonds shall be conditioned upon the performance of the services in a workmanlike and hygienic manner.

Section 9. KRS 224.230 is amended to read as follows:

All trucks or other vehicles used to transport or carry wastes from septic tanks, cesspools or seepage pits shall carry a license by the secretary for inspection by his representative or any law enforcement agent. The application for such vehicle license shall be made prior to March 1 of each year, and shall state the make, model and year of such vehicle, as well as the capacity of the tank used in the removal of said wastes from septic tanks, cesspools and seepage pits, and also such other information as the secretary shall require.

Each application shall be accompanied by a license fee of ten dollars ($10.00) for each vehicle sought to be licensed, payable to the treasurer of the Commonwealth of Kentucky. If the secretary *or his designee*, after such investigation as he deems necessary, is satisfied that such truck or vehicle and equipment is proper and hygienic for said purpose, he shall issue or cause to be issued a license for the use of said vehicle for said purpose. This license is not transferable from one vehicle to another, and all licenses shall expire on the last day of February of each year. In addition to the vehicle license, which shall be carried on the vehicle at all times, there shall be painted on both sides of said vehicle in letters not less than two inches high the words "K.B.H.S. licensed vehicle," and said words shall be followed with vehicle license number.

Section 10. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.

(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) [~~Kentucky cancer commission.~~
~~(g)~~] Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.

38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 11. The following KRS sections are repealed:

214.500 State policy for cancer prevention and reduction.
214.510 Kentucky cancer commission created — Members — Expenses — Meetings — Staff.
214.520 Powers and duties of commission.
214.530 Cancer commission trust fund — Use — Nonlapsing of surplus funds.

SB 235, AN ACT relating to foster care.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 199 IS CREATED TO READ AS FOLLOWS:

Pursuant to the requirements of the adoption assistance and child welfare act of 1980, public law 96-272, the secretary for human resources shall adopt by regulation specific goals for each fiscal year for the department as to the maximum number of children, (either in absolute numbers or as a percentage of all children in foster care with respect to whom assistance is provided in that year) who, at any time during such fiscal year, will remain in foster care after having been in such care for a period in excess of twenty-four (24) months, together with a description of the steps to be taken by the state to achieve such goals.

SB 296, AN ACT relating to the practice of nursing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 314.011 is amended to read as follows:

As used in KRS 314.011 to 314.161 and 314.991, unless the context thereof requires otherwise:

(1) "Board" shall mean Kentucky board of nursing.

(2) "Nurse" shall mean a person licensed under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~] as a registered nurse or as a licensed practical nurse.

(3) "Nursing process" means the investigative approach to nursing practice utilizing a method of problem-solving by means of:

(a) Nursing diagnosis, a systematic investigation of a health concern and an analysis of the data collected in order to arrive at an identifiable problem; and

(b) Planning, implementation and evaluation based on nationally accepted standards of nursing practice.

(4) "Registered nurse" shall mean one who is licensed under the provisions of KRS Chapter 314 to engage in registered nursing practice.

(5) "Registered nursing practice" shall mean the performance of acts requiring substantial specialized knowledge, judgment and nursing skill based upon the principles of psychological, biological, physical and social sciences in the application of the nursing process in:

(a) The care, counsel and health teaching of the ill, injured or infirm.

(b) The maintenance of health or prevention of illness of others.

(c) The administration of medication and treatment as prescribed by a physician or dentist licensed in this state and as further authorized or limited by the board, and which are consistent either with American

Nurses' Association standards of practice or with standards of practice established by nationally accepted organizations of registered nurses.

(d) The supervision and teaching of other personnel in the performance of activities relating to nursing care.

(e) The performance of other nursing acts which are authorized or limited by the board, and which are consistent either with American Nurses' Association standards of practice or with standards of practice established by nationally accepted organizations of registered nurses.

(6) "Advanced registered nurse practitioner" shall mean one who is *registered and designated* [~~certified~~] to engage in advanced registered nursing practice including but not limited to the nurse anesthetist, nurse midwife and nurse practitioner *pursuant to Section 5 of this Act*.

(7) "Advanced registered nursing practice" shall mean the performance of additional acts by registered nurses who have gained added knowledge and skills through an organized post-basic program of study and clinical experience *and who are certified* [~~approved~~] by *the American nurses' association or other nationally established organizations* [~~the organization~~] or *agencies recognized by the board* [~~agency which has the authority~~] to certify [~~the advanced~~] registered *nurses for advanced nursing practice. The performance of these additional acts shall be consistent with the certifying organization or agencies' scopes and standards of practice recognized by the board in regulation* [~~nurse practitioner. In the performance of those procedures which are normally construed as the practice of medicine, the nurses will conform to the standards of the medical practice act and established medical protocol~~].

(8) "Licensed practical nurse" shall mean one who is licensed under the provisions of KRS Chapter 314 to engage in licensed practical nursing practice.

(9) "Licensed practical nursing practice" shall mean the performance of acts requiring knowledge and skill such as are taught or acquired in approved schools for practical nursing in:

(a) The observing and caring for the ill, injured or infirm under the direction of a registered nurse, a licensed physician or dentist.

(b) The giving of counsel and applying procedures to safeguard life and health, as defined and authorized by the board.

(c) The administration of medication or treatment as authorized by a physician or dentist licensed in this state and as further authorized or limited by the board which are consistent with the national federation of licensed practical nurses or with standards of practice established by nationally accepted organizations of licensed practical nurses.

(d) Teaching or supervising except as limited by the board.

(e) The performance of other nursing acts which are authorized or limited by the board and which are consistent with the National Federation of Practical Nurses' Standards of Practice or with Standards of Practice established by nationally accepted organizations of licensed practical nurses.

(10) "School of nursing" shall mean a nursing education program preparing persons for licensure as a registered nurse or a practical nurse.

(11) "Continuing education" shall mean participation in approved offerings beyond the basic nursing program that present specific content planned and evaluated to meet competency based behavioral objectives which develop new skills and upgrade knowledge.

(12) "Nursing assistance" shall mean the performance of delegated nursing acts by unlicensed nursing personnel for compensation under supervision of a nurse.

(13) "Limited license" shall mean a license to practice nursing in a restricted capacity. The restriction may be applied to:

(a) A person with a handicap who can practice nursing within the limits defined in regulation by the board; or

(b) A licensee who has been subjected to disciplinary action by the board.

Section 2. KRS 314.031 is amended to read as follows:

(1) It shall be unlawful for any person to call or hold himself out as or use the title of nurse or to practice or offer to practice as a nurse unless licensed under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(2) It shall be unlawful for any person to operate or to offer to operate or to represent or advertise the operation of a school of nursing unless such school of nursing has been approved under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(3) It shall be unlawful for any person knowingly to employ a nurse unless said nurse is licensed under the provisions of KRS Chapter 314.

(4) It shall be unlawful for any nurse, employer of nurses or any person having knowledge of facts to refrain from reporting to the board a nurse who:

(a) Has been convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant or licensee to practice nursing; or

(b) Is suspected of fraud or deceit in procuring or attempting to procure a license to practice nursing or of negligently or wilfully acting in a manner inconsistent with the practice of nursing or of wilfully or repeatedly violating any provisions of this chapter; or

(c) Has a license to practice as a nurse denied, limited, suspended, probated or revoked in another jurisdiction on grounds sufficient to cause a license to be denied, limited, suspended, probated or revoked in this Commonwealth; or

(d) Is practicing nursing without a current active license or valid temporary work permit issued by the board.

(5) The source of reports of alleged violations may be held in confidence as determined by the board.

Section 3. KRS 314.041 is amended to read as follows:

(1) An applicant for a license to practice as a registered nurse shall file with the board a written application for a license and submit evidence, verified by oath, that the applicant is in good physical and mental health; has completed at least an approved four-year high school course of study or the equivalent thereof; and has completed the basic curriculum *for preparing registered nurses* in an approved school of nursing and holds a diploma therefrom.

(2) An applicant shall be required to pass a written examination in such subjects as the board may prescribe. Each written examination may be supplemented by an oral or practical examination. Application for licensure by examination must be received by the board at *such time as prescribed in regulation* [~~least thirty (30) days prior to the date of the examination as determined~~] by the board. Upon successfully passing such examination, the board shall issue to the applicant a license to practice nursing as a registered nurse.

(3) The board shall meet for the purpose of conducting examinations of applicants for licensure as registered nurses at least once a year, at a time and place determined by the board. Notices of such examinations shall be published in two (2) newspapers with statewide circulation. Notices shall be sent by mail to every applicant after applications are received, and to every approved school of nursing in this state at least sixty (60) days prior to the examination.

(4) The board may issue a license to practice nursing as a registered nurse to an applicant who has passed the state board test pool exam or an equivalent examination approved by the board and been licensed as a registered nurse under the laws of another state, territory or foreign country, if in the opinion of the board the applicant is qualified to practice professional nursing in this state.

(5) The applicant for licensure to practice as a registered nurse shall pay a *licensure application* fee, *and examination fees if applicable, as* [~~to be~~] set *forth in a regulation* by the board [~~of not more than fifty dollars ($50)~~].

(6) Any person who holds a license to practice as a registered nurse in this state shall have the right to use the title "registered nurse" and the abbreviation "R.N." No other person shall assume such title or use such abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is a registered nurse. No person shall practice as a registered nurse unless licensed under this section.

(7) Those persons previously licensed by the board and not engaged in the practice of nursing in the Commonwealth of Kentucky, but desiring to maintain the right to use the title "R.N." may apply and be granted such inactive status by the board in accordance with regulations promulgated by the board. Such inactive status shall require a yearly renewal and those persons granted inactive status shall not be governed by the continuing education provisions contained in this chapter. A registered nurse on inactive status may petition the board for a renewal of a license to actively practice and must complete the requirements as established in KRS Chapter 314 and by regulation of the board.

(8) Any person heretofore licensed as a registered nurse under the licensing laws of this state who has allowed such license to lapse by failure to renew may apply for reinstatement of such license under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(9) A license to practice registered nursing may be limited by the board in accordance with regulations promulgated by the board and as defined in this chapter.

Section 4. KRS 314.051 is amended to read as follows:

(1) An applicant for a license to practice as a licensed practical nurse shall file with the board a written application for a license verified by oath, that the applicant is in good physical and mental health and has completed at least an approved four (4) year high school course of study or its equivalent, and has completed the required educational program in practical nursing at an approved school of nursing and holds a diploma or certificate therefrom.

(2) The board shall meet for the purpose of conducting examinations of applicants for licensure as licensed practical nurses at least once a year, at a time and place determined by the board. Notices of such examinations shall be published in two (2) newspapers with statewide circulation. Notices shall be sent by mail to every applicant after applications are received, and to every approved school of practical nursing in this state at least sixty (60) days prior to the examination.

(3) The applicant [~~applying~~] for *licensure* [~~a license~~] to practice as a licensed practical nurse shall pay a *licensure application* fee, *and examination fees if applicable, as set forth in a regulation by* [~~of not more than fifty dollars ($50) to~~] the board.

(4) An applicant shall be required to pass a written examination in such subjects as the board may determine. Each written examination may be supplemented by an oral or practical examination. Application for licensure by examination must be received by the board at *such time as prescribed in regulation* [~~least thirty (30) days prior to the date of the examination as determined~~] by the board. Upon successfully passing such examination the board shall issue to the applicant a license to practice as a licensed practical nurse.

(5) The board may issue a license to practice as a licensed practical nurse to any applicant who has passed the state board test pool exam or an equivalent examination approved by the board and has been licensed or registered as a licensed practical nurse or a person licensed to perform similar services under a different title, under the laws of another state, territory or foreign country if, in the opinion of the board, the applicant meets the requirements for a licensed practical nurse in this state.

(6) Any person who holds a license to practice as a licensed practical nurse in this state shall have the right to use the title "licensed practical nurse" and the abbreviation "L.P.N." No other person shall assume such title or use such abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is a licensed practical nurse. No person shall practice as a licensed practical nurse unless licensed under this chapter.

(7) Those persons previously licensed by the board and not engaged in the practice of nursing in the Commonwealth of Kentucky, but desiring to maintain the right to use the title "L.P.N." may apply and be granted such inactive status by the board in accordance with regulations promulgated by the board. Such inactive status shall require a yearly renewal and those persons granted inactive status shall not be governed by the continuing education provisions contained in this chapter. A licensed practical nurse on inactive status may petition the board for a renewal of a license to actively practice and must complete the requirements as established in KRS Chapter 314 and by regulation of the board.

(8) Any person heretofore licensed as a practical nurse under the licensing laws of this state who has allowed such license to lapse by failure to renew may apply for reinstatement of such license under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(9) A license to practice practical nursing may be limited by the board in accordance with regulations promulgated by the board and as defined in this chapter.

SECTION 5. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

(1) An applicant for registration and designation to practice as an advanced registered nurse practitioner shall file with the board a written application for registration and designation and submit evidence, verified by oath, that the applicant is in good physical and mental health; has completed an organized post-basic program of study and clinical experience acceptable to the board; and is certified by a nationally established organization or agency recognized by the board to certify registered nurses for advanced nursing practice.

(2) The board may issue a registration to practice advanced registered nursing to an applicant who holds a current active registered nurse license issued by the board and meets the qualifications of subsection (1) of this section. An advanced registered nurse practitioner shall be designated by the board as a nurse anesthetist, nurse midwife, nurse practitioner or such other designation as determined by the board.

(3) The applicant for registration and designation or renewal thereof to practice as an advanced registered nurse practitioner shall pay a fee to the board as set forth in regulation by the board.

(4) An advanced registered nurse practitioner shall maintain a current active registered nurse license issued by the board and maintain current certification by the appropriate national organization or agency recognized by the board.

(5) Any person who holds a registration and designation to practice as an advanced registered nurse practitioner in this state shall have the right to use the title "advanced registered nurse practitioner" and the abbreviation "ARNP." No other person shall assume such title or use such abbreviation or any other words, letters, signs or figures to indicate that the person using the same is an advanced registered nurse practitioner. No person shall practice as an advanced registered nurse practitioner unless registered under this section.

(6) Any person heretofore registered as an advanced registered nurse practitioner under the provisions of KRS Chapter 314 who has allowed such registration to lapse may be reinstated on payment of current fee and by meeting the provisions of this chapter and regulations promulgated by the board.

Section 6. KRS 314.071 is amended to read as follows:

(1) The license of every person *issued* under the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~] shall be [~~annually~~] renewed *at least biennially* except as hereinafter provided. At least six (6) weeks before the renewal date the board shall mail an application for renewal to every person to whom a license was issued during the current *licensure period* [~~year~~]. The applicant shall fill in the application form

and return it to the board with the renewal fee prescribed by the board *in a regulation* [~~but not in excess of twenty dollars ($20)~~] before the expiration date of his current license. Upon receipt of the application and fee the board shall verify the accuracy of the application *to determine whether the licensee has met all the requirements as set forth in this chapter and in regulations promulgated by the board, and if so, shall* [~~and~~] issue to the applicant a license to practice for the ensuing *licensure period* [~~year~~]. Such license shall render the holder a legal practitioner of nursing for the period stated on it. The board shall prescribe by regulation the beginning and ending of the *licensure period* [~~licensed year~~].

(2) Any licensee who allows his license to lapse by failing to renew the license as provided above may be reinstated by the board on payment of current fee for original licensure and by meeting the regulations of the board.

(3) An application for renewal of license shall be sent to the last known address of each licensee.

(4) Any person practicing nursing during the time the license has lapsed shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

Section 7. KRS 314.073 is amended to read as follows:

(1) *Except for the first licensure renewal following the issuance of an original license by the board,* as a prerequisite for license renewal, all individuals licensed under provisions of this chapter shall be required to *document the completion of* [~~complete the following~~] continuing education requirements *not to exceed thirty (30) contact hours in a given licensure period as prescribed in regulations promulgated by the board* [~~:~~

~~(a) Five (5) contact hours in 1982;~~

~~(b) Ten (10) contact hours in 1983;~~

~~(c) Fifteen (15) contact hours yearly thereafter~~].

A "contact hour" is defined as fifty (50) minutes of an approved, organized learning experience [~~or two (2) hours of planned and supervised clinical practice designed to meet educational objectives~~].

(2) Contact hours required to satisfy the continuing education requirement shall be completed *and reported in accordance with board requirements set forth in regulation* [~~by April 30 of the respective licensure year. Contact hours in excess of those required may be carried forward into the next licensure year but they shall not be valid more than one (1) year beyond the year they were received~~].

(3) *Providers of continuing education shall be approved by the board.* Only continuing education *activities approved by the* [~~programs conducted under~~] board [~~approved sponsorship~~] shall satisfy continuing education requirements stated in this section.

(4) The board shall work cooperatively with professional nursing organizations, approved nursing schools and other potential sources of continuing education programs to assure that adequate continuing education offerings are available statewide. *The board may enter into contractual agreements to implement the provisions of this section.*

(5) The board shall maintain continuing education records and it shall be responsible for notifying applicants for licensure and licensees applying for license renewal, of continuing education requirements.

(6) In order to offset administrative costs incurred in the implementation of the mandatory continuing education requirements, the board may charge reasonable fees as established by regulation.

Section 8. KRS 314.091 is amended to read as follows:

(1) The board shall have power to deny, *limit,* revoke, probate or suspend any license to practice nursing issued by the board or applied for in accordance with KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~], or to otherwise discipline a licensee, *or to deny admission to the licensure examination, or to require evidence of evaluation and therapy* upon proof that the person:

(a) Is guilty of fraud or deceit in procuring or attempting to procure a license to practice nursing; or

(b) Has been convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant or licensee to practice nursing; or

(c) Has negligently or wilfully acted in a manner inconsistent with the practice of nursing [~~as defined herein~~]; or

(d) Is unfit or incompetent to practice nursing by reason of negligence or other causes including but not limited to being unable to practice nursing with reasonable skill or safety; or

(e) Abuses use of controlled substances or has misused or misappropriated any drugs placed in the custody of the nurse for medication, or use of others; or

(f) Has falsified or in a repeatedly negligent manner made incorrect entries or failed to make essential entries on essential records; or

(g) Has a license to practice as a nurse denied, *limited,* suspended, probated or revoked in another jurisdiction on grounds sufficient to cause a license to be denied, *limited,* suspended, probated or revoked in this Commonwealth; or

(h)[~~(e)~~] Has wilfully or repeatedly violated any of the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(2) In all hearings for denial, *limitation,* probation, suspension or revocation of the license of a registered or practical nurse, the licensee shall be furnished with a copy of the charges and shall be given at least thirty (30) days to prepare defense. The person charged shall be heard by the board or its designated hearing officer in person or by counsel or both, as may be desired. The presiding officer of the hearing may administer the oath in any manner arising in the course of duties. In the hearing the board may take oral or written proof for or against the aggrieved person. A suspended or revoked license may be reinstated at the discretion of the board, and in accordance with regulations promulgated by the board.

(3) The executive director may issue subpoenas to compel the attendance of witnesses and the production of documents. Said subpoenas may be enforced by circuit court as for contempt. Any order or subpoena of such court requiring the attendance and testimony of witnesses and the production of documentary evidence may be enforced and shall be valid anywhere in this state.

(4) The board, or any member thereof, may administer oaths, take testimony, hear proof and receive exhibits in evidence at the hearing.

(5) The board shall not be bound by technical rules of evidence.

(6) A stenographic record of the hearing shall be kept and a transcript thereof filed with the board.

(7) At all hearings on request of the board the attorney general of this state or one (1) of his assistants designated by him shall appear and represent the board.

(8) The decision of the board shall be by majority vote thereof.

(9) Any person adversely affected by any order of the board may obtain a review thereof by filing a written petition for review with the *Franklin circuit* court [~~of appeals~~] within thirty (30) days after the entry of said order. The petition shall state the grounds upon which the review is asked and shall pray that the order of the board be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the executive director of the board and thereupon the executive director shall certify and file in the court a transcript of the record upon which the order complained of was entered. No new or additional evidence shall be introduced in the court except as to fraud or misconduct affecting the outcome of the case, but the court shall otherwise hear the case upon the record as attested by the executive director of the nursing board, and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to determine whether or not:

(a) The board acted without or in excess of its power;

(b) The order appealed from was procured by fraud or misconduct;

(c) Substantial evidence supports the order appealed from;

(d) The board's decision is supported by the law. The court may affirm, modify or set aside the board's order in whole or in part, or may remand the case to the board for further evidence, and may in its discretion, stay the effect of the board's order pending its determination of the case. The court's order shall have the force and effect of a decree in equity.

Section 9. KRS 314.101 is amended to read as follows:

(1) KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~] does not prohibit: The furnishing of nursing assistance in an emergency; the practice of nursing which is incidental to their program of study by *individuals* [~~students~~] enrolled in nursing education programs *and refresher courses* approved by the board; *or* the practice of any legally qualified nurse of another state who is employed by the U.S. government or any bureau, division, or agency thereof while in the discharge of his or her official duties[~~; or the employment for the purpose of giving nursing assistance of aides, technicians, orderlies, attendants, or other ancillary workers in private homes, hospitals, nursing homes, physicians' offices, or other institutions and agencies~~].

(2) Nothing in KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~] shall be construed as prohibiting care of the sick with or without compensation or personal profit when done in connection with the practice of the religious tenets of any recognized or established church by adherents thereof as long as they do not engage in the practice of nursing as defined in KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~].

(3) A temporary work permit may be issued by the board to persons who have completed the requirements for, applied for and paid the fee for licensure by examination or indorsement. Temporary work permits shall be issued only for the length of time required to process applications for indorsement or to conduct and determine the results of examinations and shall not be renewed. No temporary work permit shall be issued to an applicant who has failed the licensure examination.

(4) A new graduate who holds a temporary work permit shall have the right to use the title "registered nurse applicant" and the abbreviation "RN App" or "licensed practical nurse applicant" and the abbreviation "LPN App" according to the type of permit issued.

(5) Any nurse educated outside the U. S. who has [~~not~~] passed the state board test pool *examination or its equivalent as determined by the board or who has passed the commission on graduates of foreign nursing schools examination may* [~~exam shall not~~] be issued a work permit.

Section 10. KRS 314.121 is amended to read as follows:

(1) The governor shall appoint a board of nursing consisting of eleven (11) members. *Six (6)* [~~Seven (7)~~] members shall be registered nurses licensed to practice in the Commonwealth. Three (3) shall be practical nurses licensed to practice in the Commonwealth. *One (1) member shall be a nurse service administrator*

who is a registered nurse licensed to practice in the Commonwealth. One (1) member shall be a citizen at large, who is not associated with or financially interested in the practice or business regulated. Each appointment shall be for a term of four (4) years expiring on June 30 of the fourth year. By March 1 the Kentucky Nurses Association shall submit to the governor a list of members qualified for appointment, as R.N. members, in number not less than twice the number of appointments to be made, from which list the governor shall make each appointment or appointments necessary by July 1. By March 1, the Kentucky state association of licensed practical nurses shall submit to the governor a list of names qualified for appointment as L.P.N. members, in number not less than twice the number of appointments to be made, from which list the governor shall make each appointment or appointments as necessary by July 1. *By March 1 of the year in which the nurse service administrator's term shall expire and prior to May 1, 1983 for the initial term, the Kentucky society for hospital nursing service administrators, an affiliate of the Kentucky hospital association, shall submit to the governor two (2) names of qualified individuals for appointment as the nurse service administrator from which list the governor shall make an appointment as necessary by July 1. Each year two (2) registered nurse and one (1) licensed practical nurse terms shall expire on June 30* [~~Each year two (2) R.N. and one (1) L.P.N. term shall expire on June 30 except that every fourth year one (1) R.N. term and one (1) consumer term shall expire on June 30~~].

(2) A vacancy on the board shall be filled by the governor as provided for under subsection (1).

(3) The governor may remove any member from the board for neglect of duty, incompetence, or unprofessional or dishonorable conduct.

(4) Each R.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of nursing, a registered nurse in this state. All shall have had at least five (5) years of experience in nursing, three (3) of which shall immediately precede such appointment. Three (3) members shall be engaged in nursing practice; three (3) shall be engaged in nursing education; and one (1) shall be in nursing administration.

(5) Each L.P.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of practical nursing or its equivalent, licensed as a licensed practical nurse in this state, and have at least five (5) years of experience in nursing, three (3) of which shall immediately precede this appointment.

(6) The governor shall appoint an advisory council to the board consisting of seven (7) members to be selected one (1) each from lists submitted by Kentucky Medical Association, Kentucky Hospital Association, Kentucky Association of Health Care Facilities, Kentucky Nurses Association, Kentucky State Association of Licensed Practical Nurses, Kentucky Dental Association and Kentucky Pharmaceutical Association. The council shall function in an advisory capacity only as a constructive force in establishing and maintaining standards of nurse competency and licensure regulations in the interest of public protection, and, in this connection shall be provided with copies of any proposed regulations of the board at least thirty (30) days prior to their filing with the legislative research commission. The terms shall be for four (4) years. Two (2) shall be appointed each year except every fourth year when only one (1) shall be appointed.

Section 11. KRS 314.131 is amended to read as follows:

(1) The board shall meet at least annually and shall elect from its members a president and a secretary. The election shall be held in June of each year. A majority of the board including one (1) officer shall constitute a quorum at any meeting. The board is authorized to adopt and revise regulations not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~]. The board shall approve curricula and standards for schools of nursing and courses preparing persons for licensure and shall monitor standards for nurse competency under KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~]. It shall provide for surveys of such schools and courses at such time as may be necessary, approve such schools and courses as meet the requirements of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~] and of the board, evaluate and approve courses for affiliation, and examine, license and renew the license of duly qualified applicants; by regulations shall determine notice of place and time of licensure examinations; *approve providers of continuing education;* administer continuing education *requirements* [~~requirement~~]; register and designate those persons qualified to engage in advanced nursing practice; and it shall conduct hearings upon charges calling for discipline of a licensee on probation or suspension or revocation *or limitation* of a license, have power to issue subpoenas, and compel the attendance of witnesses, administer oaths to persons giving testimony at hearings, and cause the prosecution of all persons violating any provisions of KRS *Chapter 314* [~~314.011 to 314.161 and 314.991~~]. It shall keep a record of all its proceedings and make an annual report to the governor.

(2) The board shall employ a qualified person to serve as executive director to the board, and shall fix his compensation and define his duties. It may employ such other persons as may be necessary to carry on the work of the board.

(3) The executive director shall have at least the qualifications for board members, and a master's degree in nursing or equivalent and shall have had at least two (2) years of experience in nursing administration immediately preceding the time of his appointment.

(4) Each member of the board shall receive, in addition to traveling, hotel and other necessary expenses, fifty dollars ($50) for each day he is actually engaged in the discharge of his official duties.

Section 12. KRS 314.161 is amended to read as follows:

The board may by regulation set fees to carry out the provisions of this chapter. All fees received by the board and collected under *this chapter* [~~KRS 314.041 and 314.071~~] shall be deposited with the state treasurer of the commonwealth of Kentucky, who shall place the money to the credit of the revolving fund of the board. The fund shall be held subject to the order of the board, and to be used for meeting necessary expenses incurred in the performance of the purposes of *this chapter* [~~KRS 314.011 to 314.161 and 314.991~~] and the duties imposed thereby.

Section 13. KRS 314.193 is amended to read as follows:

(1) There is hereby created a nurse practice council to be made up of *nine (9)* [~~eight (8)~~] members, two (2) *registered nurses who* [~~of which~~] shall be from the board of nursing, *two (2) physicians* [~~three (3)~~] from the board of medical licensure, *one (1) pharmacist from the board of pharmacy, one (1) physician from the Kentucky Medical Association,* and three (3) advanced registered nurse practitioners. The advanced registered nurse practitioner members shall include one (1) nurse anesthetist, one (1) [~~certified~~] nurse midwife, and one (1) nurse practitioner who shall be nominated from members chosen by their respective nursing specialty groups or organizations and recommended to the board of nursing for appointment.

(2) The council shall meet annually or as the members designate and shall seek all available information from concerned nursing groups. The council shall have the duty of recommending standards in the performance of such acts requiring additional education which is recognized jointly by the nursing and medical professions. The board of nursing may authorize the performance of such additional acts by its regulations, after seeking all available information from the groups to be regulated. Such regulations shall not be inconsistent with statutory law.

(3) The terms for the council shall be for four (4) years [~~except those initially appointed shall be: the board of nursing members for two (2) and three (3) years; and the advanced registered nurse practitioner for two (2), three (3) and four (4) years; the board of medical licensure members for two (2), three (3) and four (4) years respectively~~]. No member shall serve for more than two (2) consecutive terms.

Section 14. KRS 314.991 is amended to read as follows:

(1) Any person who violates any provision of KRS *Chapter 314* [~~314.011 to 314.041, 314.111, 314.121, 314.151 and 314.161~~] for which no other penalty has been provided shall be fined not less than *ten dollars ($10.00)* [~~five dollars ($5)~~] nor more than *thirty dollars ($30.00)* [~~fifteen dollars ($15)~~]. Each day he violates any provisions of KRS *Chapter 314* [~~314.011 to 314.041, 314.111, 314.121, 314.151 and 314.161~~] shall be considered a separate offense.

(2) Any person who wilfully makes any false representation to the board in applying for a license under KRS *Chapter 314* [~~314.011 to 314.041, 314.111, 314.121, 314.151 and 314.161~~] shall be fined not more than *five thousand dollars ($5000)* [~~five hundred dollars ($500)~~].

(3) *For any violation of KRS Chapter 314 where the board has the power to deny, revoke, probate, limit or suspend a license, the board may, in lieu thereof or in addition to other remedies impose a civil penalty against the violator of not more than five hundred dollars ($500).*

(4) All civil penalties received and collected by the board shall be deposited with the State Treasurer of the Commonwealth of Kentucky, who shall place the money to the credit of the revolving fund of the board.

(5) Any civil penalty received and collected by the board may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in the Franklin Circuit Court.

(6) Whenever the board has reason to believe that any person is in violation or is about to violate any provision of KRS Chapter 314, it may seek a restraining order, temporary or permanent injunction or other civil remedy against such person in the Franklin Circuit Court.

(7) In order to obtain a temporary or permanent restraining order, or other equitable remedy, it shall not be necessary to allege or prove that an adequate remedy at law does not exist, nor shall it be necessary to allege or prove that irreparable injury, loss, or damage will result if the injunctive relief is denied. Further, it shall not be necessary to allege or prove that criminal action has been first instituted.
[~~Any person who violates any provisions of KRS 314.051 to 314.091, 314.101 or 314.131 for which no other penalty has been provided shall be fined not less than five dollars ($5) nor more than fifteen dollars ($15). Each day he violates any provision of KRS 314.051 to 314.091, 314.101 or 314.131 shall be considered a separate offense.~~

~~(4) Any person who wilfully makes any false representation to the board in applying for a license under KRS 314.051 to 314.091, 314.101 or 314.131 shall be fined not more than five hundred dollars ($500).~~]

Section 15. The nurse practice council members representing the board of pharmacy and the Kentucky Medical Association shall take office on the effective date of this Act and their term of office shall be deemed to have commenced as of that date.

Section 16. KRS 314.151 - Board's power limited, is repealed.

Committee Amendment No. 1 to **SB 296** is as follows:

Amend printed copy of **SB 296,** page 30, line 10, by deleting the word "*five*"

And on line 11, by deleting the following: "*thousand dollars ($5,000)*"

And on line 11, by deleting the bracket before the word "~~five~~"

And by deleting the strike throughs in the words: "five hundred dollars ($500)"

And by deleting the bracket after the number "~~(500)~~"

Committee Amendment No. 2 to **SB 296** is as follows:

Amend printed copy of **SB 296,** page 20, line 11, by deleting the word "*franklin*"

And on page 30, line 24, by deleting the word "*franklin*"

And on page 31, line 4, by deleting the word "*franklin*"

The Committee on Judiciary-Civil reported **HB 302** with Committee Substitute attached thereto, **HB 544, HB 770** with Committee Substitute attached thereto, **SB 18, SB 204, SB 222, SB 229,** and **SB 269** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 302, AN ACT relating to court filing fees and costs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 453.010 is amended to read as follows:

(1) Except for specific legislation requiring the Commonwealth to pay costs in certain civil cases, notwithstanding any other statutory provision to the contrary, the Commonwealth shall not be required to pay to any court of the Unified Court of Justice filing fees, commissioner or other fees or other administrative court costs directly incurred by the Commonwealth in any action prosecuted by or against the Commonwealth in its own right.

(2) In cases where the Commonwealth is not obligated to pay the costs of the opposing party under any specific legislation relating to the requirement for payment of costs by the Commonwealth in certain civil actions, the Commonwealth may in any civil action filed in any court of competent jurisdiction pay the costs, or a portion thereof, where the payment of the costs or a portion thereof is approved by the judge of the court in which the case was filed. Costs in such cases shall not exceed the fees authorized in any specific legislation requiring the Commonwealth to pay costs in certain civil actions [~~No judgment for costs shall be rendered against the Commonwealth in any action prosecuted by or against the Commonwealth in its own right; provided, however, that in any civil action filed in any court of competent jurisdiction by or against the Commonwealth of Kentucky, the costs may be paid by the Commonwealth when such costs are approved and allowed by the judge of the court in which the case was filed. Costs shall not exceed the fees allowed for similar services in other civil actions~~].

Committee Substitute to **HB 302** is as follows:

HB 302, AN ACT relating to court filing fees and costs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 453 IS CREATED TO READ AS FOLLOWS:

(1) Except for specific legislation requiring the Commonwealth to pay costs in certain civil cases, notwithstanding any other statutory provision to the contrary, the Commonwealth shall not be required to

pay to any court of the Unified Court of Justice filing fees, commissioner or other fees or other administrative court costs directly incurred by the Commonwealth in any action prosecuted by or against the Commonwealth in its own right.

(2) In cases where the Commonwealth is not obligated to pay the costs of the opposing party under any specific legislation relating to the requirement for payment of costs by the Commonwealth in certain civil actions, the Commonwealth may in any civil action filed in any court of competent jurisdiction pay the costs, or a portion thereof, where the payment of the costs or a portion thereof is approved by the judge of the court in which the case was filed. Costs in such cases shall not exceed the fees authorized in any specific legislation requiring the Commonwealth to pay costs in certain civil actions.

HB 544, AN ACT relating to adjustments in benefits provided under the judicial form retirement system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

(1) As of July 1, 1982, the board of trustees of the Kentucky judicial form retirement system shall recompute the monthly benefits of persons then receiving benefits under the judicial retirement plan, by using the same service credit rate and the same number of years of service that were used in computing the benefits then being received, but substituting, in lieu of the "final compensation" that was used in the computation of the benefit then being received, an amount equal to fifty-five percent (55%) of the final compensation of the office in which the credit was earned, for a person retiring as of June 30, 1982. Further, any benefit being received on July 1, 1982, that was based on former KRS 23.340 shall be increased by forty-five percent (45%) commencing as of July 1, 1982.

(2) As of July 1, 1983, and as of July 1 of each year thereafter, the board of trustees of the Kentucky judicial form retirement system shall recompute the monthly benefits of persons then receiving benefits under the judicial retirement plan, by using the following formula: two and three-fourths (2.75%) times fifty-five percent (55%) of the final compensation of the office in which the retirement credit was earned for a person retiring as of the recomputation date, times the number of years of service credit (not to exceed thirty-six (36) years).

(3) In making the recomputations provided for in subsections (1) and (2) of this section, the same reduction factor, in case of an actuarially reduced benefit or a surviving spouse's benefit, shall be used as was used in determining the benefit then being received. If the benefit as recomputed in accordance with subsection (1) or (2) of this section is higher than the benefit then being received, the recomputed benefit shall thereafter be paid monthly, commencing as of the date specified for the recomputation, subject to future adjustment at ensuing annual recomputations in accordance with subsection (2) of this section. For the purposes of this section, the following office equivalents shall be used: judge of former Court of Appeals - justice of Supreme Court; any position other than judge or justice that was covered by the judicial retirement system - judge of the present Court of Appeals.

SECTION 2. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

As of July 1 of each year, the board of trustees of the Kentucky judicial form retirement system shall recompute the monthly benefits of persons then receiving benefits under the legislators retirement plan, by using the following formula: three and one-half percent (3.50%) times fifty-five percent (55%) of the final compensation of the office in which the credit was earned for a person retiring as of the recomputation date, times the number of years of service credit (not to exceed twenty-eight (28) years). In making the recomputation, the same reduction factor, in case of an actuarially reduced benefit or a surviving spouse's benefit, shall be used as was used in determining the benefit then being received. If the benefit as recomputed in accordance with this section is higher than the benefit then being received, the recomputed benefit shall thereafter be paid monthly, commencing as of the date specified for the recomputation, subject to future adjustment at ensuing recomputations in accordance with this section.

HB 770, AN ACT relating to the office for public advocacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.020 is amended to read as follows:

(1) The office for public advocacy shall consist of the public advocate, deputy public advocate, such assistant public advocates as the public advocate shall deem necessary, and such secretarial and other personnel as the public advocate shall deem necessary.

(2) The public advocate shall be appointed by the *governor from a list of three (3) attorneys submitted to him by the public advocacy commission; shall be an attorney licensed to practice law in Kentucky with at least five (5) years experience in the practice of law; shall be excepted from the classified service; shall be the chief administrator of the office for public advocacy; and shall serve a term of four (4) years, which is renewable, unless removed by the governor. The incumbent public advocate shall serve until a successor is nominated by the commission and approved by the governor. The compensation of the public advocate shall be set by the provisions of KRS 64.640* [~~secretary of justice with the prior approval of the governor after the secretary has received recommendations for the appointment from the Kentucky bar association. The public advocate shall be directly responsible to the secretary. The public advocate shall be compensated at a rate not greater than twenty-seven thousand dollars ($27,000) per year, and shall serve a term of four (4) years, unless removed by the governor~~].

(3) The deputy public advocate shall be an attorney and shall be appointed by the public advocate and shall serve at his pleasure.

(4) The assistant public advocates shall be attorneys, shall be appointed by the public advocate, [~~and~~] shall be covered by the merit system *and shall not be subject to the provisions of KRS 12.210.*

(5) Secretarial, clerical, and other personnel shall be appointed by the public advocate, and shall be covered by the merit system.

SECTION 2. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS:

(1) The public advocacy commission shall consist of the following members, none of whom shall be prosecutor or law enforcement official, who shall serve staggered terms of two (2), three (3), or four (4) years initially. The commission shall be comprised as follows:

(a) Two (2) members appointed by the governor;

(b) One (1) member appointed by the governor from a list of three (3) persons submitted to him by the speaker of the house of representatives;

(c) One (1) member appointed by the governor from a list of three (3) persons submitted to him by the president pro tem of the senate;

(d) Two (2) members appointed by the governor from a list of six (6) persons submitted to him by the Kentucky supreme court;

(e) Two (2) members, who are licensed to practice law in Kentucky and have substantial experience in the representation of persons accused of crime, appointed by the governor from a list of six (6) persons submitted to him by the board of governors of the Kentucky bar association;

(f) The dean of each of the law schools in Kentucky or his designee; and

(g) One (1) member appointed by the Kentucky protection and advocacy advisory board.

(2) At the first meeting of the commission, a drawing by lot shall be conducted to determine the length of each original member's term. No member may serve more than two (2) full consecutive four-year terms. Vacancies in the membership of the commission shall be filled in the same manner as original appointments. Appointments to fill vacancies occuring before the expiration of a term shall be for the remainder of the unexpired term.

(3) The commission shall first meet at the call of the governor and thereafter as the commission shall determine on a regular basis, but at least quarterly, and shall be presided over by a chairperson elected by its members for a one-year term. A majority of commission members shall constitute a quorum, and decisions shall require the majority vote of those present; provided that, a recommendation to the governor pertaining to the appointment, renewal of the appointment, or removal of the public advocate shall require a majority vote of the commission. Each member of the commission shall have one (1) vote, and voting by proxy shall be prohibited.

(4) The public advocate shall, upon appointment or renewal, be an ex-officio member of the commission without vote, shall serve as secretary of the commission, and shall be entitled to attend and participate in all meetings of the commission except discussions relating to renewal of his term or his removal.

(5) Commission members shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the duties of the commission.

(6) The function of the commission shall be to:

(a) Receive applications, interview and recommend to the governor three (3) persons for appointment as the public advocate;

(b) Assist the public advocate in drawing up procedures for the selection of his staff;

(c) Receive and attempt to resolve direct complaints which cannot be resolved within the office for public advocacy;

(d) Review the performance of the public advocacy system and provide general supervision of the system;

(e) Assist the office for public advocacy in ensuring its independence through public education regarding the purposes of the public advocacy system; and

(f) Review and adopt an annual budget prepared by the public advocate for the system and provide support for budgetary requests to the general assembly.

(7) In no event shall the commission or its members interfere with the discretion, judgment or advocacy of employes of the office for public advocacy in their handling of individual cases.

Section 3. KRS 31.065 is amended to read as follows:

(1) If a county or district chooses none of the alternatives provided by KRS 31.160 or if a plan submitted to the public advocate is denied as provided by KRS 31.050, then the public advocacy may establish *for* [~~in~~] a county containing less than ten (10) circuit judges*:*

(a) *A contract with one (1) or more attorneys, professional service corporation, or association of attorneys to provide the legal services required in this Act; provided there are suitable attorneys available who are willing to provide those services for reasonable compensation;*

(b) In the event that there are no suitable attorneys available and willing to serve for reasonable compensation, then there shall be created an office for district public advocacy, which shall be staffed by a district public advocate who shall be an attorney, and any number of assistant district public advocates necessary to perform adequately the functions of said office[~~, or (b) an assigned counsel plan as described in KRS 31.160(1)(c)~~].

(2) Nothing shall prohibit the public advocate from entering into a contract to perform the legal services under this Act for more than one (1) county.

Section 4. KRS 31.160 is amended to read as follows:

(1) The fiscal court of each county, except in counties wherein the judicial district is required to maintain a public advocate under this chapter and in such case the county shall contribute to the funding of the district public advocate in such amounts as the office for public advocacy shall deem reasonable and necessary, may provide for the representation of needy persons who with respect to serious crimes are subject to proceedings in the county or are detained in the county by law enforcement officers. They may provide this representation by:

(a) *Establishing a contract with one (1) or more attorneys, professional service corporation, or association of attorneys to provide the legal services required in this Act;*

(b) Establishing and maintaining an office for public advocacy[~~;~~

~~(b) Arranging with an appropriate nonprofit organization to provide attorneys;~~

~~(c) Arranging with the courts of criminal jurisdiction in the county to assign attorneys on an equitable basis through a systematic coordinated plan and, if the county contains a city of the first or second class under the guidance of an administrator; or~~

~~(d) Adopting a combination of these alternatives.~~

~~(e) If a county chooses none of the alternatives set forth herein, the state shall provide a district public advocate as provided by this chapter~~].

(2) The fiscal court of a county may join with one or more other counties in its judicial district or elsewhere or with any cities located within the said county or counties in providing this representation; said agreements to be made pursuant to the provisions of KRS chapter 65.

(3) If it elects to establish and maintain an office for public advocacy, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support and appointment under KRS 31.170(1), the fiscal court of a county may join with cities within said county and with the fiscal court of one or more other counties to establish and maintain a joint office for district public advocacy. In that case, the participating counties shall be treated for the purposes of this chapter as if they were one (1) county. Said agreements shall be made pursuant to the provisions of KRS chapter 65.

[~~(4) If the fiscal court of a county elects to arrange with the courts of criminal jurisdiction in the county to assign attorneys, a court of the county may provide for advance assignment of attorneys, subject to later approval by it, to facilitate representation in matters arising before appearance in court.~~]

Section 5. KRS 15A.030 is amended to read as follows:

The department of justice, in addition to the bureaus set forth in KRS 15A.020, shall consist of the following organizational units which are hereby created or reestablished:

(1) Office of secretary of justice comprised of the secretary of justice, the Kentucky crime commission, the Kentucky law enforcement council and the office of law enforcement programming.

(2) Deputy secretary of justice.

(3) Executive office of staff services.

(4) [~~Office for public advocacy, attached to the office of the secretary for administrative purposes.~~

~~(5)~~] Office of the general counsel.

Section 6. KRS 15A.130 is amended to read as follows:

All funds, credits, assets, appropriations, outstanding obligations, personnel, equipment, any and all resources or other tangible property and any business or other matter undertaken or now vested in the Department of Public Safety, Department of Corrections, Kentucky Crime Commission, *and* Kentucky Law Enforcement Council [~~and Office of Public Defender~~], except as provided in KRS 31.050, are hereby transferred and vested in the department.

Section 7. KRS 15A.140 is amended to read as follows:

Except as otherwise provided in 1974 Acts ch. 74, all rules, regulations, acts, agreements, determinations and decisions of the department of public safety, department of corrections, Kentucky law enforcement council, [~~office of public defender,~~] and Kentucky crime commission shall remain in effect within the department until duly modified or repealed by the secretary.

Section 8. KRS 15A.170 is amended to read as follows:

All corporate bodies and instrumentalities of the Commonwealth, advisory committees, commissions, councils, interstate compact or other statutory bodies presently attached to the functions in whole or in part of the Departments of Public Safety and Corrections, the Kentucky Crime Commission, *and* Kentucky Law Enforcement Council [~~and Office of Public Defender~~] transferred to the Department of Justice under 1974 Acts ch. 74 shall be attached to the Department of Justice for administrative support services. The Secretary of Justice, or his designee, shall serve as member of any authority, commission, board, committee or other entity on which by virtue of law, regulation or order the Commissioner of Public Safety, Commissioner of Corrections, Executive Director of the Crime Commission, *or* Executive Director of the Kentucky Law Enforcement Council [~~or Public Defender~~] is a member by virtue of his office. Any office, or its successor agency, presently designated as Kentucky representative for a federally related program shall continue as such until such designation is modified by the secretary with the approval of the governor.

Section 9. KRS 15A.180 is amended to read as follows:

All reports, documents, surveys, books, records, files, papers or other writing, in the possession of the Department of Public Safety, Department of Corrections, Kentucky Crime Commission, *and* Kentucky Law Enforcement Council[~~, and Office of Public Defender~~] shall remain in the custody of the Department. All confidential records, files or information maintained in accordance with state or federal law or regulations or rules of court shall be retained in accordance with present law, regulation or rules of court until modified or repealed or until the Secretary establishes appropriate regulations to protect these records, files and information.

Committee Substitute to **HB 770** is as follows:

HB 770, AN ACT relating to the office for public advocacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.020 is amended to read as follows:

(1) The office for public advocacy shall consist of the public advocate, deputy public advocate, such assistant public advocates as the public advocate shall deem necessary, and such secretarial and other personnel as the public advocate shall deem necessary.

(2) The public advocate shall be appointed by the *governor from a list of three (3) attorneys submitted to him by the public advocacy commission; shall be an attorney licensed to practice law in Kentucky with at least five (5) years experience in the practice of law; shall be excepted from the classified service; shall be the chief administrator of the office for public advocacy; and shall serve a term of four (4) years, which is renewable, unless removed by the governor. The incumbent public advocate shall serve until a successor is nominated by the commission and approved by the governor. The compensation of the public advocate shall be set by the provisions of KRS 64.640* [~~secretary of justice with the prior approval of the governor after the secretary has received recommendations for the appointment from the Kentucky bar association. The public advocate shall be directly responsible to the secretary. The public advocate shall be compensated at a rate not greater than twenty-seven thousand dollars ($27,000) per year, and shall serve a term of four (4) years, unless removed by the governor~~].

(3) The deputy public advocate shall be an attorney and shall be appointed by the public advocate and shall serve at his pleasure.

(4) The assistant public advocates shall be attorneys, shall be appointed by the public advocate, [~~and~~] shall be covered by the merit system *and shall not be subject to the provisions of KRS 12.210.*

(5) Secretarial, clerical, and other personnel shall be appointed by the public advocate, and shall be covered by the merit system.

SECTION 2. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS:

(1) The public advocacy commission shall consist of the following members, none of whom shall be a prosecutor or law enforcement official, who shall serve terms of four (4) years, except the initial terms shall be established as hereafter provided:

(a) Two (2) members appointed by the governor;

(b) One (1) member appointed by the speaker of the house of representatives;

(c) One (1) member appointed by the president pro tem of the senate;

(d) Two (2) members appointed by the Kentucky supreme court;

(e) Two (2) members, who are licensed to practice law in Kentucky and have substantial experience in the representation of persons accused of crime, appointed by the governor from a list of five (5) persons submitted to him by the board of governors of the Kentucky bar association;

(f) The dean, ex officio, of each of the law schools in Kentucky or his designee; and

(g) One (1) member appointed by the governor from a list of three (3) persons submitted to him by the Kentucky protection and advocacy advisory board.

(2) At the first meeting of the commission, a drawing by lot shall be conducted to determine the length of each original member's term. Initially there shall be four (4) two-year terms, four (4) three-year terms, and four (4) four-year terms. Vacancies in the membership of the commission shall be filled in the same manner as original appointments. Appointments to fill vacancies occuring before the expiration of a term shall be for the remainder of the unexpired term.

(3) The commission shall first meet at the call of the governor and thereafter as the commission shall determine on a regular basis, but at least quarterly, and shall be presided over by a chairperson elected by its members for a one-year term. A majority of commission members shall constitute a quorum, and decisions shall require the majority vote of those present; provided that, a recommendation to the governor pertaining to the appointment, renewal of the appointment, or removal of the public advocate shall require a majority vote of the commission. Each member of the commission shall have one (1) vote, and voting by proxy shall be prohibited.

(4) The public advocate shall, upon appointment or renewal, be an ex-officio member of the commission without vote, shall serve as secretary of the commission, and shall be entitled to attend and participate in all meetings of the commission except discussions relating to renewal of his term or his removal.

(5) Commission members shall serve without compensation but shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the duties of the commission.

(6) The commission shall:

(a) Receive applications, interview and recommend to the governor three (3) attorneys as nominees for appointment as the public advocate;

(b) Assist the public advocate in drawing up procedures for the selection of his staff;

(c) Review the performance of the public advocacy system and provide general supervision of the public advocate;

(d) Assist the office for public advocacy in ensuring its independence through public education regarding the purposes of the public advocacy system; and

(e) Review and adopt an annual budget prepared by the public advocate for the system and provide support for budgetary requests to the general assembly.

(7) In no event shall the commission or its members interfere with the discretion, judgment or advocacy of employes of the office for public advocacy in their handling of individual cases.

Section 3. KRS 31.065 is amended to read as follows:

If a county or district chooses none of the alternatives provided by KRS 31.160 or if a plan submitted to the public advocate is denied as provided by KRS 31.050, then the public advocate may establish *for* [~~in~~] a county containing less than ten (10) circuit judges *or a group of counties a local public advocacy system by:*

(1) Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this Act; provided there are suitable attorneys available who are willing to provide those services for reasonable compensation; or

(2) Providing [~~(a)~~] an office for district public advocacy, which shall be staffed by a district public advocate who shall be an attorney, and any number of assistant district public advocates *and other personnel* necessary to perform adequately the functions of said office[~~, or (b) an assigned counsel plan as described in KRS 31.160(1)(c)~~].

Section 4. KRS 31.160 is amended to read as follows:

(1) The fiscal court of each county, except in counties wherein the judicial district is required to maintain a public advocate under this chapter and in such case the county shall contribute to the funding of the district public advocate in such amounts as the office for public advocacy shall deem reasonable and necessary, may provide for the representation of needy persons who with respect to serious crimes are subject to proceedings in the county or are detained in the county by law enforcement officers. They may provide this representation by:

(a) *Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations or an association of attorneys to provide the legal services required in this Act; provided there are suitable attorneys available who are willing to provide these services for reasonable compensation; or*

(b) Establishing and maintaining an office for public advocacy; *or*

[~~(b) Arranging with an appropriate nonprofit organization to provide attorneys;~~]

(c) [~~Arranging with the courts of criminal jurisdiction in the county to assign attorneys on an equitable basis through a systematic coordinated plan and, if the county contains a city of the first or second class under the guidance of an administrator; or~~

~~(d)~~] Adopting a combination of these alternatives.

[~~(e) If a county chooses none of the alternatives set forth herein, the state shall provide a district public advocate as provided by this chapter.~~]

(2) The fiscal court of a county may join with one or more other counties in its judicial district or elsewhere or with any cities located within the said county or counties in providing this representation; said agreements to be made pursuant to the provisions of KRS chapter 65.

(3) If it elects to establish and maintain an office for public advocacy, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support and appointment under KRS 31.170(1), the fiscal court of a county may join with cities within said county and with the fiscal court of one or more other counties to establish and maintain a joint office for district public advocacy. In that case, the participating counties shall be treated for the purposes of this chapter as if they were one (1) county. Said agreements shall be made pursuant to the provisions of KRS chapter 65.

[~~(4) If the fiscal court of a county elects to arrange with the courts of criminal jurisdiction in the county to assign attorneys, a court of the county may provide for advance assignment of attorneys, subject to later approval by it, to facilitate representation in matters arising before appearance in court.~~]

Section 5. KRS 15A.030 is amended to read as follows:

The department of justice, in addition to the bureaus set forth in KRS 15A.020, shall consist of the following organizational units which are hereby created or reestablished:

(1) Office of secretary of justice comprised of the secretary of justice, the Kentucky crime commission, the Kentucky law enforcement council and the office of law enforcement programming.

(2) Deputy secretary of justice.

(3) Executive office of staff services.

(4) [~~Office for public advocacy, attached to the office of the secretary for administrative purposes.~~

~~(5)~~] Office of the general counsel.

Section 6. KRS 15A.130 is amended to read as follows:

All funds, credits, assets, appropriations, outstanding obligations, personnel, equipment, any and all resources or other tangible property and any business or other matter undertaken or now vested in the Department of Public Safety, Department of Corrections, Kentucky Crime Commission, *and* Kentucky Law Enforcement Council [~~and Office of Public Defender~~], except as provided in KRS 31.050, are hereby transferred and vested in the department.

Section 7. KRS 15A.140 is amended to read as follows:

Except as otherwise provided in 1974 Acts ch. 74, all rules, regulations, acts, agreements, determinations and decisions of the department of public safety, department of corrections, Kentucky law enforcement council, [~~office of public defender,~~] and Kentucky crime commission shall remain in effect within the department until duly modified or repealed by the secretary.

Section 8. KRS 15A.170 is amended to read as follows:

All corporate bodies and instrumentalities of the Commonwealth, advisory committees, commissions, councils, interstate compact or other statutory bodies presently attached to the functions in whole or in part of the Departments of Public Safety and Corrections, the Kentucky Crime Commission, *and* Kentucky Law Enforcement Council [~~and Office of Public Defender~~] transferred to the Department of Justice under 1974 Acts ch. 74 shall be attached to the Department of Justice for administrative support services. The Secretary of Justice, or his designee, shall serve as member of any authority, commission, board, committee or other entity on which by virtue of law, regulation or order the Commissioner of Public Safety, Commissioner of Corrections, Executive Director of the Crime Commission, *or* Executive Director of the Kentucky Law Enforcement Council [~~or Public Defender~~] is a member by virtue of his office. Any office, or its successor agency, presently designated as Kentucky representative for a federally related program shall continue as such until such designation is modified by the secretary with the approval of the governor.

Section 9. KRS 15A.180 is amended to read as follows:

All reports, documents, surveys, books, records, files, papers or other writing, in the possession of the Department of Public Safety, Department of Corrections, Kentucky Crime Commission, *and* Kentucky Law Enforcement Council[~~, and Office of Public Defender~~] shall remain in the custody of the Department. All confidential records, files or information maintained in accordance with state or federal law or regulations or rules of court shall be retained in accordance with present law, regulation or rules of court until modified or repealed or until the Secretary establishes appropriate regulations to protect these records, files and information.

SB 18, AN ACT relating to interests in real property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 381.200 is amended to read as follows:

(1) Every deed, unless an exception is made therein, shall be construed to include all buildings, privileges and appurtenances of every kind attached to the lands therein conveyed.

(2) A solar easement may be obtained for the purpose of ensuring access to direct sunlight. Such easement shall be created in writing and shall be an interest in real property that may be acquired and transferred and shall be subject to the same recording and conveyancing requirements, except that a solar easement shall not be acquired by prescription.

SB 204, AN ACT relating to corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 271A IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Director" means any person who is or was a director of the corporation and any person who, while a director of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employe or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employe benefit plan.

(b) "Corporation" includes any domestic or foreign predecessor entity of the corporation in a merger, consolidation or other transaction in which the predecessor's existence ceased upon consummation of such transaction.

(c) "Expenses" include attorneys' fees.

(d) "Official capacity" means:

1. When used with respect to a director, the office of director in the corporation, and

2. When used with respect to a person other than a director, as contemplated in subsection (9) of this section, the elective or appointive office in the corporation held by the officer or the employment or agency relationship undertaken by the employe or agent in behalf of the corporation,

but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, other enterprise, or employe benefit plan.

(e) "Party" includes a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(f) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) A corporation shall have power to indemnify any person made a party to any proceeding by reason of the fact that he is or was a director if:

(a) He conducted himself in good faith; and

(b) He reasonably believed:

1. In the case of conduct in his official capacity with the corporation, that his conduct was in its best interests; and

2. In all other cases, that his conduct was at least not opposed to its best interests; and

3. In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

Indemnification may be made against judgments, penalties, fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding, except that if the proceeding was by or in the right of the corporation, indemnification may be made only against such reasonable expenses and shall not be made in respect of any proceeding in which the person shall have been adjudged to be liable to the corporation. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person did not meet the requisite standard of conduct set forth in this subsection.

(3) A director shall not be indemnified under subsection (2) of this section in respect of any proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he shall have been adjudged to be liable on the basis that personal benefit was improperly received by him.

(4) Unless limited by the articles of incorporation:

(a) A director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in subsection (2) of this section, shall be indemnified against reasonable expenses incurred by him in connection with the proceeding; and

(b) A court of appropriate jurisdiction, upon application of a director and such notice as the court shall require, shall have authority to order indemnification in the following circumstances:

1. If it determines a director is entitled to reimbursement under subsection (4)(a) of this section, the court shall order indemnification, in which case the director shall also be entitled to recover the expenses of securing such reimbursement; or

2. If it determines that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the standard of conduct set forth in subsection (2) of this section or has been adjudged liable in the circumstances described in subsection (3) of this section, the court may order such indemnification as the court shall deem proper, except that indemnification with respect to any proceeding by or in the right of the corporation or in which liability shall have been adjudged in the circumstances described in subsection (3) of this section shall be limited to expenses.

A court of appropriate jurisdiction may be the same court in which the proceeding involving the director's liability took place.

(5) No indemnification under subsection (2) of this section shall be made by the corporation unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because he has met the standard of conduct set forth in subsection (2) of this section. Such determination shall be made:

(a) By the board of directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding; or

(b) If such a quorum cannot be obtained, then by a majority vote of a committee of the board, duly designated to act in the matter by a majority vote of the full board (in which designation directors who are parties may participate), consisting solely of two (2) or more directors not at the time parties to the proceeding; or

(c) By special legal counsel selected by the board of directors or a committee thereof by vote as set forth in subsection (5)(a) or (b) of this section, or, if the requisite quorum of the full board cannot be obtained therefor and such committee cannot be established, by a majority vote of the full board (in which selection directors who are parties may participate); or

(d) By the shareholders.

Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in a manner specified in subsection (5)(c) of this section in the preceding sentence for the selection of such counsel. Shares held by directors who are parties to the proceeding shall not be voted on the subject matter under this subsection.

(6) Reasonable expenses incurred by a director who is a party to a proceeding may be paid or reimbursed by the corporation in advance of the final disposition of such proceeding upon receipt by the corporation of:

(a) A written affirmation by the director of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation as authorized in this section, and

(b) A written undertaking by or on behalf of the director to repay such amount if it shall ultimately be determined that he has not met such standard of conduct, and

after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The undertaking required by subsection (6)(b) of this section shall be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and authorizations of payments under this subsection shall be made in the manner specified in subsection (5) of this section.

(7) A corporation, in addition, shall have the power to indemnify and to advance expenses to a director to such further extent, consistent with law, as may be provided by its articles of incorporation, bylaws, general or specific action of its board of directors or contract. Nothing contained in this section shall limit the corporation's power to pay or reimburse expenses incurred by a director in connection with his appearance as a witness in a proceeding at a time when he has not been made a named defendant or respondent in the proceeding.

(8) For purposes of this section, the corporation shall be deemed to have requested a director to serve an employe benefit plan whenever the performance by him of his duties to the corporation also imposes

duties on, or otherwise involved services by, him to the plan or participants or beneficiaries of the plan; excise taxes assessed on a director with respect to an employe benefit plan pursuant to applicable law shall be deemed "fines"; and action taken or omitted by him with respect to an employe benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the corporation.

(9) Unless limited by the articles of incorporation:

(a) An officer of the corporation shall be indemnified as and to the same extent provided in subsection (4) of this section for a director and shall be entitled to the same extent as a director to seek indemnification pursuant to the provisions of subsection (4) of this section;

(b) A corporation shall have the power to indemnify and to advance expenses to an officer, employe or agent of the corporation to the same extent that it may indemnify and advance expenses to directors pursuant to this section; and

(c) A corporation, in addition, shall have the power to indemnify and to advance expenses to an officer, employe or agent who is not a director to such further extent, consistent with law, as may be provided by its articles of incorporation, bylaws, general or specific action of its board of directors, or contract.

(10) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employe or agent of the corporation, or who, while a director, officer, employe or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employe or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employe benefit plan, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

(11) Any indemnification of, or advance of expenses to, a director in accordance with this section, if arising out of a proceeding by or in the right of the corporation, shall be reported in writing to the shareholders with or before the notice of the next shareholders' meeting.

(12) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employe or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 2. KRS 271A.025, Indemnification of officers, directors, employes and agents, is repealed.

SB 222, AN ACT relating to district court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.120 is amended to read as follows:

District court shall have exclusive jurisdiction in:

(1) Civil cases in which the amount in controversy does not exceed *twenty-five hundred* [~~one thousand five hundred~~] dollars *($2,500)* [~~($1,500)~~], exclusive of interest and costs except matters affecting title to real estate and matters of equity; however, nothing herein shall prohibit execution levy on real estate in enforcement of judgment of district court;

(2) Matters involving probate, except matters contested in an adversary proceeding. Such adversary proceeding shall be filed in circuit court in accordance with the Kentucky Rules of Civil Procedure and shall not be considered an appeal; and

(3) Matters not provided for by statute to be commenced in circuit court shall be deemed to be non-adversarial within the meaning of subsection (2) of this subsection and therefore are within the jurisdiction of the district court.

SB 229, AN ACT relating to debt adjusters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 380.030 is amended to read as follows:

The following persons shall not be considered debt adjusters for the purposes of this chapter:

(1) Any attorney at law of this state;

(2) Any person who is a regular, full-time employe of a debtor, and who acts as an adjuster of his employer's debts;

(3) Any person acting pursuant to any order or judgment of court, or pursuant to authority conferred by any law of this state or of the United States;

(4) Any person who is a creditor of the debtor, or an agent of one or more creditors of the debtor, and whose services in adjusting the debtor's debts are rendered without cost to the debtor; [~~and~~]

(5) Any person who, at the request of a debtor, arranges for or makes a loan to the debtor, and who, at the authorization of the debtor, acts as an adjuster of the debtor's debts in the disbursement of the proceeds of the loan, without compensation for the services rendered in adjusting the debts*; and*

(6) Any charitable, religious or educational organization, determined to be exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

SB 269, AN ACT relating to estate and probate matters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 386.180 is amended to read as follows:

(1) Trustees of estates *may* [~~shall~~] receive for their services as such a commission of *six* [~~five~~] percent *(6%)* [~~(5%)~~] of the income collected by them, payable as the income is collected. They *may* [~~shall~~] also receive an annual commission of *three-tenths* [~~one-fifth~~] of one percent *(.3%)* [~~(.2%)~~] of the fair value of the real and personal estate in the care of the fiduciary, or, at the option of the fiduciary and in lieu of the annual commission on principal, a commission which shall not exceed *six* [~~five~~] percent *(6%)* [~~(5%)~~] of the fair value of the principal distributed, payable at the time the principal is distributed. In the absence of some provision, agreement, or direction to the contrary, the commission on income shall be paid out of the income from the estate, and the commission on principal shall be paid out of the principal of the estate.

(2) However, upon proof submitted showing that the fiduciary has performed additional service in the handling of the estate in his care, which has been unusual or extraordinary and not normally incident to the care and management of an estate, the court may allow to the fiduciary such additional compensation as is fair and reasonable for the additional services rendered. This additional compensation shall be payable out of principal or income, or part out of principal and part out of income, as the court directs.

Section 2. KRS 386.185 is amended to read as follows:

(1) Whenever a trustee *or personal representative* holds and controls an amount, exclusive of income, of *fifteen thousand dollars ($15,000)* [~~ten thousand dollars ($10,000)~~] or less *or the will directs that such an amount be placed in a trust, the fiduciary* [~~it~~] may petition the district court having jurisdiction of the trust *or estate*, for an order authorizing *the fiduciary* [~~it~~] to distribute the amount held, plus income available, less fees chargeable, to the appropriate beneficiary or beneficiaries, legal representatives thereof, or other appropriate persons or institutions responsible for the object of the trust, who shall be under a duty to use the funds for the purposes of the trust. Upon receipt of said petition by the district court, and accompanying affidavit and/or oral testimony, the court shall order the amount distributed.

(2) When an order to distribute the amount petitioned is granted and entered into the Court's records, no bond shall be required of the recipient of said distribution from the trustee *or personal representative.*

(3) A release of the trustee *or personal representative* shall be executed by the recipient upon distribution of the amount held, declaring said fiduciary not liable thereafter. The trustee *or personal representative* shall not be required to look into the application of the amount so distributed.

Section 3. KRS 387.700, 1980 Acts Ch. 396, Section 21, effective July 1, 1982, is amended to read as follows:

(1) A conservator has all of the powers conferred herein and any additional powers conferred by law on trustees in this state. The conservator may take possession of all of the ward's real and personal property, and of all rents, incomes, and benefits therefrom, whether accruing before or after his appointment, and of the proceeds arising from the sale, mortgage, lease or exchange thereof. Subject to such possession the title of all such estate and to the increment and proceeds thereof shall be to the ward and not to the conservator. It is the duty of the conservator to protect and preserve the estate, to retain, sell and invest it as hereinafter provided, prosecute or defend actions, claims or proceedings in any jurisdiction for the protection of the estate's assets, to account for it faithfully, to perform all other duties required of him by law, and, at the termination of the conservatorship, to deliver the assets of the ward to the persons lawfully entitled thereto.

(2) The conservator shall apply the money and property for the payments of debts, taxes, claims, charges and expenses of the conservatorship and for the support, care, maintenance and education of the ward or his dependents.

(3) Any sale of realty of a ward shall be as provided in KRS Chapter *389A* [~~389~~].

Section 4. KRS 389A.010 is amended to read as follows:

(1) Notwithstanding any other statutory limitation of the jurisdiction of the district court:

(a) Any *trustee, guardian, committee, conservator, or personal representative (hereinafter "fiduciary")* [~~fiduciary as defined by KRS 386.010~~], not otherwise possessing a power of sale, may move the district court of the county in which the fiduciary has qualified for an order granting the fiduciary the power to sell or mortgage any real estate or any interest therein possessed by his ward, incompetent, decedent, or trust; and

(b) The district court may enter an order granting the fiduciary the power to sell or mortgage any real estate or any interest therein possessed by the ward, incompetent, decedent or trust.

(2) The motion shall include an adequate description of the property, a summary of the grounds for the motion, and a request that the bond of the fiduciary be increased in an adequate amount in accordance with KRS 395.130.

(3) Unless waived in writing, written notice of the hearing with a copy of the motion shall be *served* [~~given~~] in a manner authorized by the rules of civil procedure *for the initiation of a civil action upon* [~~to~~] all persons [~~in being~~] who[~~, but for the sale of the property,~~] have a vested or contingent interest *in the property interest sought to be sold* [~~therein~~].

(a) In the case where the subject of the action is the property interest of a person under legal disability, unless waived in writing, written notice by certified mail, return receipt requested shall be given to all known adult next of kin of:

1. The nature and pendency of the action, and

2. Not less than thirty (30) days notice of the time, date and location of the hearing on the motion. At or before the hearing, the fiduciary or his attorney shall file an affidavit on personal knowledge showing compliance with this paragraph and attaching a copy of the notice given and the original of all receipts returned.

(b) All such persons shall have standing to present evidence and to be heard at the hearing.

(4) An aggrieved party may *no later than thirty (30) days from the date of the order,* institute an adversary proceeding in circuit court pursuant to KRS 24A.120*(2)*[~~(1)(b)~~] in respect to any order affecting the right of the fiduciary to sell or mortgage. Pending the entry of a final order *and expiration of the time for an appeal therefrom* [~~that has become unappealable~~], neither the fiduciary nor the owner of any vested interest shall make any conveyance or mortgage of the real estate and any attempt to do so shall be null and void.

(5) No proceedings under this section shall be conducted by or before a commissioner of the district court.

Section 5. KRS 389A.020 is amended to read as follows:

In the event the power of a fiduciary to sell or mortgage any real estate is *expressly* limited by the will or trust instrument under which he is acting, such limitation may only be altered or amended by the circuit court of the county wherein the fiduciary was appointed, or if the fiduciary is acting under an agreement of trust without court supervision, the county in which the trust is or could be registered, in an action brought by the fiduciary in which all persons having a present or contingent interest in the property *interest sought to be sold or mortgaged* or its proceeds are made parties. Before adjudging that the fiduciary may deviate from the terms of the will or trust the court shall determine that there exist circumstances apparently unknown to the testator or settlor; that such circumstances would substantially impair the accomplishment of the purposes intended; and that deviation is in the best interests of all parties concerned.

Section 6. KRS 389A.030 is amended to read as follows:

(1) When two (2) or more persons *other than tenants by the entireties in residential property actually occupied by them as a principal residence* share title to real estate in such manner that a conveyance by them jointly would pass a fee simple title, any one or more of them may bring an action for the sale or division thereof in the circuit court of the county in which the land, or the greater part thereof, lies, making parties defendant those owners who have not joined as plaintiffs. A fiduciary possessing a power of sale may institute such an action against owners of interests not represented by him. Defendant owners shall be brought before the court in the manner provided by the civil rules whether or not a fiduciary possesses a power of sale of the defendant's interest, but any fiduciary possessing such a power shall also be made a defendant. The case shall be tried without a jury.

(2) A defendant who is under disability and for whom no fiduciary is acting shall be represented in the action by a guardian ad litem, but in the event of sale of such defendant's interest the court shall retain control of the proceeds of such interest until a duly appointed and adequately bonded fiduciary or custodian pursuant to a court order makes claim to the funds.

(3) In all such actions indivisibility of the real estate shall be presumed unless an issue in respect thereto is raised by the pleading of any party, and if the court is satisfied from the evidence that the property is divisible, without materially impairing the value of any interest therein, division thereof pursuant to KRS 381.135 shall be ordered.

(4) If a sale of all or any part of the real estate shall be ordered, the court shall refer the matter to the master commissioner or appoint a commissioner to conduct a public sale and convey the property upon terms of sale and disposition of the net proceeds as may have been determined by the court.

(5) The death of any party pending the action and prior to distribution of the proceeds of sale or setting apart a divisible share shall not affect the action but the court may direct distribution or apportionment to the successors in interest of the decedent upon application therefor.

(6) If the interest of any party be one for life, or other term, in any portion of the real estate, the court shall determine the value of such interest and direct that such party receive a portion of the net sale proceeds or portion of the property if divisible, in fee in satisfaction of such interest, but if any party to the action objects to such procedure, and if the court finds that such procedure would defeat the objects and purpose of a person not a party to the action, such as a testator, grantor or settlor, but that sale or division is nevertheless desirable, the court shall order that the interest of the life or term tenant shall continue as to his portion of the real estate or the net proceeds of the sale thereof, in the latter case by directing that the funds derived from the sale of that portion of the real estate in which the life or term interest existed be paid to a trustee, appointed by and accountable to the district court, for reinvestment and distribution of income and principal in a manner consistent with the instrument under which the life or term estate was created.

Section 7. KRS 391.030 is amended to read as follows:

(1) Except as otherwise provided in this chapter, where any person dies intestate as to his personal estate, or any part thereof[~~, or such person's surviving spouse has renounced the decedent's will~~], the surplus, after payment of funeral expenses, charges of administration and debts, shall pass and be distributed among the same persons, and in the proportions, to whom and in which real estate is directed to descend, except as follows:

(a) The personal estate of an infant shall be distributed as if he had died after full age.

(b) An alien may be distributee as though he were a citizen.

(c) Personal property or money on hand or in bank to the amount of five thousand dollars ($5,000) shall be exempt from distribution and sale and shall be set apart by the district court having jurisdiction over the estate on application to the surviving spouse, or, if there is no surviving spouse, to the infant children surviving.

(2) The surviving spouse of any deceased person may, at any time before the property or money is set apart by the court, procure on petition from the judge of the district court having jurisdiction over administration of his estate, an order authorizing him to withdraw from any bank or other depository not exceeding one thousand dollars ($1000) belonging to the estate of the deceased. Upon presentation of the order, the bank or depository shall permit him to withdraw the sum and shall lodge the order, endorsing thereon the amount withdrawn, with the circuit clerk and he shall retain it in his files to be considered in connection with further proceedings in the estate and the withdrawal shall be treated as a charge against the property of the estate exempt from distribution.

(3) In the application for the setting apart of property or money under this section the surviving spouse may make his selection out of the personal property of the estate to the extent that the value of the property selected does not exceed the amount of five thousand dollars ($5,000).

[~~(4) This section applies to cases where the husband or wife dies testate and the surviving spouse renounces the provisions of the will as provided in KRS 392.080 and also under circumstances set out in KRS 395.455.~~]

Section 8. KRS 395.001 is amended to read as follows:

The term "fiduciary" as used in this chapter means any person, association, or corporation *meeting the requirements of KRS 395.005* (other than assignee or trustee for an insolvent debtor or a guardian under the uniform veterans' guardianship act) appointed by, or under the control of, or accountable to, the district court, including executors, administrators, administrators with the will annexed, testamentary trustees, curators, guardians and committees.

Section 9. KRS 395.016 is amended to read as follows:

When notice of hearing of an application for the appointment of an administrator, administrator with will annexed, guardian, or committee is required, it shall be given by mailing written notice of the time, place and purpose of such hearing at least five (5) days before said hearing. Proof of such notice shall be by registered mail receipt or by applicant's affidavit that the same was mailed to each of the parties entitled thereto in a sealed envelope, postage prepaid, and the date when posted, which proof shall be filed at the time of hearing. If all parties entitled to notice are under no disability and waive notice in writing, the court may hear such application as if notice had been given. A minor over fourteen (14) years of age may waive notice if present in person at the time of hearing of application for appointment of his guardian; provided, however in any estate where the gross amount involved is less than *five* [~~one~~] thousand dollars *($5,000)* [~~($1,000)~~] the court in its discretion may dispense with the requirements of this section relating to notice.

Section 10. KRS 395.016, 1980 Acts Ch. 396, Section 119, effective July 1, 1982, is amended to read as follows:

When notice of hearing of an application for the appointment of an administrator, administrator with will annexed, guardian, or conservator is required hereunder, it shall be given by mailing written notice of the time, place and purpose of such hearing at least five (5) days before said hearing. Proof of such notice shall be by certified mail, return receipt requested or by registered mail receipt or by applicant's affidavit that the same was mailed to each of the parties entitled thereto in a sealed envelope, postage prepaid, and the date when posted, which proof shall be filed at the time of hearing. If all parties entitled to notice are under no disability and waive notice in writing, the court may hear such application as if notice had been given. A minor over fourteen (14) years of age may waive notice if present in person at the time of hearing of application for appointment of his guardian; provided, however in any estate where the gross amount involved is less than *five* [~~one~~] thousand dollars *($5,000)* [~~($1,000)~~] the court in its discretion may dispense with the requirements of this section relating to notice.

Section 11. KRS 395.040 is amended to read as follows:

(1) The court shall grant administration to the relations of the deceased who apply for administration, preferring the surviving husband or wife, *or if the surviving husband or wife does not nominate a suitable administrator,* [~~and~~] then such others as are next entitled to distribution, or one (1) or more of them whom the court judges will best manage the estate.

(2) If no person mentioned in subsection (1) applies for administration within sixty (60) days from the death of an intestate, the court may grant administration to a creditor, or to any other person, in its discretion.

(3) No master or other commissioner whose duty it is to settle the accounts of a personal representative shall be appointed an administrator.

(4) If a will is afterwards produced and proved, the administration shall cease, and the court may grant a certificate of the probate of the will, or, in the proper case, letters of administration with the will annexed.

Section 12. KRS 395.200 is amended to read as follows:

At any time after the appointment of a fiduciary, the fiduciary, when satisfied that it would be for the best interests of the estate, may sell, at public or private sale, at the best price obtainable, and for cash or on such terms as the fiduciary may determine, any part or all of the personal property belonging to the estate, including dividend-paying and interest-bearing securities, except:

(1) Such tangible personal property as has been set apart to the surviving spouse as exempt.

(2) Property specifically bequeathed, when sale of such property is not necessary for the payment of debts, provided that such property may be sold with the consent of the person entitled thereto.

(3) Property as to which distribution in kind has been demanded prior to the sale by the surviving spouse or other beneficiary entitled to such distribution in kind, or property which the court may determine to be suitable for distribution in kind.

(4) Property, the sale of which is contrary to the wish of the testator, as shown by his will, unless the court finds that the sale is necessary to pay debts, funeral and burial expense, *taxes,* and costs of administration, or that the retention of it will probably cause great loss to the estate.

Section 13. KRS 395.325 is amended to read as follows:

(1) If any fiduciary resigns or is removed, he shall upon the appointment of his successor settle his accounts.

(2) If any fiduciary becomes incompetent or dies, the personal representative of his estate shall upon the appointment of a successor fiduciary for the incompetent or decedent settle for his decedent the accounts of the first decedent.

(3) In appointing a successor trustee of a trust created by will, the court shall give preference to that person, or those persons, designated in the will as successor trustee. If there be no such designation or if the court finds the person or persons so designated are not best qualified to protect the interests of the beneficiaries, then the court shall give preference to the persons who apply for appointment, preferring the surviving husband or wife, *or if the husband or wife does not nominate a suitable trustee,* [~~and~~] then such others as are next entitled to distribution or one or more of them whom the court deems best qualified.

Section 14. KRS 395.325, 1980 Acts Ch. 396, Section 122, effective July 1, 1982, is amended to read as follows:

(1) If any fiduciary resigns or is removed, he shall upon the appointment of his successor settle his accounts.

(2) If any fiduciary becomes mentally disabled or dies, the personal representative of his estate shall upon the appointment of a successor fiduciary for the mentally disabled fiduciary or decedent settle for his decedent the accounts of the first decedent.

(3) In appointing a successor trustee of a trust created by will, the court shall give preference to that person, or those persons, designated in the will as successor trustee. If there be no such designation or if the court finds the person or persons so designated are not best qualified to protect the interests of the beneficiaries, then the court shall give preference to the persons who apply for appointment, preferring the

surviving husband or wife, *or if the husband or wife does not nominate a suitable trustee,* [~~and~~] then such others as are next entitled to distribution or one or more of them whom the court deems best qualified.

Section 15. KRS 395.380 is amended to read as follows:

(1) The district court of each county shall appoint a discreet, fit person to act as administrator of decedents' estates of which there is no personal representative, and as guardian of orphans who have no guardian.

(2) He shall serve at the discretion of the district court.

(3) He shall be sworn and execute bond with good surety to the state for the faithful discharge of his duties, *and when so sworn with bond so executed, shall be accepted by the court in every estate in which the public administrator is appointed without the necessity of additional surety.*

Section 16. KRS 395.390 is amended to read as follows:

(1) The district court of a county which has a public administrator and guardian shall, after the expiration of *sixty (60)* [~~thirty (30)~~] days from the death of the decedent, order the public administrator and guardian to administer the estate of the decedent where the surviving spouse and heirs waive their right to be appointed, *or if the surviving spouse does not nominate a suitable administrator,* or in the event any of the persons designated in KRS 395.040 are unable, or found to be incapable of handling or managing the estate, or if from any other cause there is no personal representative. If there is no public administrator and guardian, the court shall order the sheriff to administer the estate.

(2) The district court shall also confide to the public administrator and guardian the care and control of the persons and estates of all minors when it appears that a minor has no testamentary guardian and no one will apply for appointment, or serve, as guardian.

Section 17. KRS 395.455 is amended to read as follows:

(1) Where the exemption of the surviving spouse alone, or together with preferred claims paid by a widow or by the widower where the wife's estate is legally liable for payment, equals or exceeds the amount of probatable assets, the court may order that administration of the estate be dispensed with and such assets be transferred to the surviving spouse or to a person designated by such surviving spouse to receive all or part of such assets. The court may so order in both testate and intestate estates and without requiring the renunciation of a will or the giving of bond.

(2) If the court is satisfied that no probatable estate will pass through the hands of the personal representative, it may order that no letters of administration be issued and *in the case of a testate estate* that the will be probated only.

(3) Where a surviving spouse has waived his or her right to the exemption accorded by law in favor of a person who has paid preferred claims in an amount equalling or exceeding the amount of probatable assets or who is legally entitled to such payment, or where there is no surviving spouse and such person has made such payment or is legally entitled thereto, the court may order that the administration of the estate be dispensed with and such assets transferred to such person. The court may so order without requiring the giving of bond.

(4) For purpose of this section, the exemption of the surviving spouse is such exemption as has been created by KRS 391.030 and preferred claims are those listed in KRS 396.090 and in the order thereof.

Section 18. KRS 395.470 is amended to read as follows:

(1) Administration of the estate of a person dying intestate may be dispensed with by agreement if there are no debts owing by the estate; all persons beneficially entitled to the personal estate have agreed in writing that there shall be no administration; and either there are no claims or demands due the estate, or the written agreement to dispense with administration designates a trustee with power to collect claims and demands.

(2) The written agreement provided in subsection (1) shall be acknowledged by the parties and filed in the district court together with the motion of the parties for an order dispensing with administration. If the court is satisfied by affidavit or otherwise that the conditions prescribed in subsection (1) exist, it shall enter an order dispensing with administration. If the written agreement of the beneficiaries designates a trustee to collect claims or demands, the order shall confirm the designation and the person so designated shall have the same right to sue for and collect claims and demands that an administrator has.

(3) The district court shall be satisfied that provision has been made for the state inheritance tax and the United States estate tax.

(4) The persons applying for an order dispensing with administration shall advertise for creditors of the intestate to appear and present their claims to some person at the county seat. The person and place shall be designated in the advertisement. The advertisement shall also give notice when, where and by whom the order dispensing with administration will be applied for. The advertisement shall be posted at the courthouse door for six weeks, and published pursuant to KRS Ch. 424. The order dispensing with administration shall not be granted until the persons applying for the order file in the district court the affidavit of one of them showing that advertisement for creditors has been made.

(5) The persons applying for the order dispensing with administration shall, before the order is entered, give bond with surety in [~~double~~] the amount of the personal estate for the benefit of any creditors

who, within *six (6)* [~~nine~~] months from the *order dispensing with administration* [~~intestate's death~~], appear and file their claims with the court clerk. This bond shall be approved by the district court and shall run to the state for the benefit of those creditors and be conditioned to be void if none of them files his claim with the clerk within *six (6)* [~~nine (9)~~] months *from the date of the order dispensing with administration* [~~after the intestate's death~~].

Section 19. KRS 395.500 is amended to read as follows:

An order dispensing with administration *pursuant to KRS 395.470* may be set aside at any time within *one (1) year from the order dispensing with administration under KRS 395.470* [~~five years~~] upon motion of any person who satisfies the court by prima facie proof that he has a just and unsatisfied claim or demand against the estate.

Section 20. KRS 452.400 is amended to read as follows:

Actions must be brought in the county in which the subject of the action, or some part thereof, is situated:

(1) For the recovery of real property, or of an estate or interest therein;

(2) For the partition of real property except as is provided in KRS 452.420;

(3) For the sale of real property [~~under KRS Chapter 389A, or~~] under a mortgage, lien, or other encumbrance or charge, except for debts of a decedent;

(4) For an injury to real property.

Section 21. The following KRS sections are repealed:

389.010, Provisions governing sales of realty of infants and persons of unsound mind.

389.010, 1980 Acts Ch. 396, Section 111, effective July 1, 1982, Provisions governing sales of realty of infants and persons mentally disabled.

389.015, Duration of bonds required by KRS 389.010.

389.015, 1980 Acts Ch. 396, Section 112, effective July 1, 1982, Duration of bonds required by KRS 389.010.

389.030, Sale of reversion or remainder interest — Custody and reinvestment of proceeds.

389.030, 1980 Acts Ch. 396, Section 113, effective July 1, 1982, Sale of reversion or remainder interest — Custody and reinvestment of proceeds.

389.045, Miscellaneous provisions governing sales.

389.045, 1980 Acts Ch. 396, Section 114, effective July 1, 1982, Miscellaneous provisions governing sales.

389.060, Lien to secure payment of proceeds — Collection of interest and proceeds — Purchaser may pay amount due into court.

389.060, 1980 Acts Ch. 396, Section 115, effective July 1, 1982, Lien to secure payment of proceeds — Collection of interest and proceeds.

389A.040, Conveyance or mortgage void during certain period.

394.660, Application.

The Committee on Labor and Industry reported **HB 330** with Committee Substitute attached thereto, **HB 746** with Committee Amendments attached thereto, **HB 803,** and **SB 255** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 330, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.120 is amended to read as follows:

(1) A claimant may in the original application for benefits, or either party may by motion while the case is pending, accompanied by proper allegations *and accompanied by certification of the fact that a copy of the motion as well as the entire file has been forwarded to the special fund at the cost of the movant,* and the board shall upon its own motion at any time before the rendition of the final award, cause the special fund to be made a party to the proceedings if either or both of the following appears:

(a) The employe is disabled, whether from a compensable injury, occupational disease, pre-existing disease, or otherwise, and has received a subsequent compensable injury by accident, or has developed an occupational disease;

(b) The employe is found to have a dormant non-disabling disease or condition which was aroused or brought into disabling reality by reason of a subsequent compensable injury by accident or an occupational disease.

(2) When the special fund has been made a party the board shall direct the procedures provided in KRS 342.121.

(3) If it is found that the employe is a person mentioned in paragraphs (a) or (b) of subsection (1) of this section and a subsequent compensable injury or occupational disease has resulted in additional permanent disability so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, the employer shall be liable only for the degree of disability which would have resulted from the latter injury or occupational disease had there been no pre-existing disability or dormant, but aroused disease or condition.

(4) The remaining compensation for which such resulting condition would entitle the employe, including any compensation for disability resulting from a dormant disease or condition aroused into disabling reality by the injury or occupational disease, but excluding all compensation which the provisions of this chapter would have afforded on account of prior disabling disease or injury had it been compensated thereunder, shall be paid out of the special fund provided for in KRS 342.122. Such remaining compensation shall be paid directly to the employe by the carrier or self-insured employer who is liable for compensation under subsection (3) of this section, and the carrier or self-insured employer shall be reimbursed for such payments from the special fund on a quarterly basis and under such regulations as the board may provide for such purpose.

(5) In making the computation for the apportionment of benefits under subsections (3) and (4) of this section, the board shall first determine the amount of the employe's weekly income benefits; exclude from the award the percentage thereof attributable to the pre-existing active disability or the prior disabling injury, disease or condition; and apportion the balance between the employer and special fund as provided in subsections (3) and (4) of this section.

Section 2. KRS 342.305 is amended to read as follows:

Any party in interest may file in the circuit court of the county in which the injury occurred a certified copy of a memorandum of agreement approved by the board or of an order or decision of the board, or of an award of the board on appeal from, or an award of the board rendered upon an appeal whether or not there is a motion to reopen or review pending under KRS 342.125. The court shall render judgment in accordance therewith and notify the parties. Such judgment shall have the same effect, and all proceedings in relation thereto shall thereafter be the same as though it had been rendered in a suit duly heard and determined by that court. Any such judgment, unappealed from or affirmed on appeal or modified in obedience to the mandate of the Court of Appeals shall be modified to conform to any decision of the board ending, diminishing or increasing any weekly payment under the provisions of KRS 342.125 upon a presentation to it of a certified copy of such decision. *The court shall award reasonable attorney's fees and costs for such enforcement proceedings. Such fee shall be in addition to those allowed notwithstanding other provisions of this Act.*

Section 3. KRS 342.316 is amended to read as follows:

(1) (a) The employer liable for compensation for occupational disease shall be the employer in whose employment the employe was last exposed to the hazard of the occupational disease during any period in which this section is applicable to a coal mine, an operator who acquired it or substantially all of its assets from a person who was its operator on and after January 1, 1973 shall be liable for, and secure the payment of, the benefits which would have been payable by the prior operator under this section with respect to miners previously employed in the mine if it had not been acquired by such later operator. At the same time, however, this subsection does not relieve the prior operator of any liability under this section. Also, it does not affect whatever rights the later operator might have against the prior operator. Said employer shall have the right to contribution from each previous employer, as determined in an independent civil action, wherein the employe was similarly exposed to the hazard of said occupational disease, in a sum equal to the ratio that each exposure employment time bears to the total exposure employment time except as otherwise provided in paragraph (a) of subsection (13) of this section.

(b) The time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later.

(2) (a) The procedure with respect to the giving of notice and determination of claims in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of claim shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, whichever shall first occur.

(b) The procedure with respect to filing of claims shall be as follows:

1. The application shall set forth the work history of the applicant with a concise description of injurious exposure to a specific occupational disease together with the names and addresses of employer or employers with the approximate date of employment and shall also include with the application two written medical reports supporting his claim. These medical reports shall be made on the basis of comprehensive clinical

examinations and shall contain full and complete statements of the results thereof. The reports shall be made by duly licensed physicians. The clinical examinations shall include x-ray examinations. However, the failure of an x-ray examination to disclose the presence of an occupational disease shall not affect the legal presumption referred to in subsection (5) of this section.

2. The filing of a properly executed application for adjustment of claim, accompanied by the two medical reports described in subparagraph 1. of this paragraph, shall satisfy the requirements of the presumptive clause set out in subsection (5) of this section and the burden of proof shall immediately thereafter shift to the employer and the special fund.

3. Immediately upon receipt of said application for adjustment of claim, the board shall notify the affected employer, the special fund and any other interested party of such claim and shall furnish them with a full and complete copy of the claim.

4. Upon receipt of notice of claim the employer, the special fund, and any other interested party shall have the right to have the claimant examined by competent medical experts, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative shall be furnished a copy of said medical report within a reasonable time. *Also, the employer, the special fund, or any other interested party shall have the right to have the claimant evaluated by vocational experts or institutions, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative, shall be furnished a copy of said vocational report within a reasonable time.*

5. Within *sixty (60) days of the hearing held by the workers' compensation board* [~~ninety (90) days of the receipt of notice by the employer of the filing of the claim,~~] the employer, the special fund, and any other interested party shall notify the board and the claimant whether or not the claim will be resisted. If the claim is not resisted, then the board shall within ten (10) days enter an order and award for the claimant. If the claim is resisted, the board shall set a date for a hearing and shall notify all parties thereof. In litigated claims the regular procedures prescribed by the workers' compensation board shall be followed.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the workers' compensation board within three (3) years after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the workers' compensation board within three (3) years after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the disease or the death of the employe, and its cause was known to the employer. Provided, however, that the right to compensation for any occupational disease shall be forever barred unless a claim is filed with the workers' compensation board within five (5) years from the last injurious exposure to the occupational hazard, except that, in cases of radiation disease, a claim must be filed within 20 years from the last injurious exposure to the occupational hazard.

(4) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury or death under the general provisions of the workers' compensation act, but in no event to exceed such amounts as were in effect at the time of the last injurious exposure, and provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within twenty (20) years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the workers' compensation act and in this section.

(5) Where the occupational disease is a compensable pneumoconiosis and there has been employment exposure for ten (10) years or more to an industrial hazard sufficient to cause the disability of pneumoconiosis there shall be a rebuttable presumption that the disability or death was due to the compensable pneumoconiosis.

(6) Where the employe is suffering or suffered from a chronic dust disease of the lung which:

(a) When diagnosed by chest roentgenogram, yields one or more large opacities (greater than one (1) centimeter in diameter) and would be classified in category A, B, or C in the international classification of radiographs of the pneumoconiosis by the international labor organization;

(b) When diagnosed by biopsy or autopsy, yields massive lesions in the lung; or

(c) When diagnosis is made by other means, would be a condition which could reasonably be expected to yield results described in paragraph (a) or (b) of this subsection if diagnosis had been made in the manner prescribed in paragraph (a) or (b) of this subsection, then there shall be an irrebuttable presumption that he is totally disabled due to pneumoconiosis or that his death was due to pneumoconiosis, as the case may be.

(7) In case of disability or death from silicosis, coal workers' pneumoconiosis, or any other compensable pneumoconiosis, complicated with tuberculosis of the lungs, pulmonary emphysema or other pulmonary dysfunction and there has been employment exposures to harmful dust or industrial hazards reasonably competent to produce such accompanying disease or dysfunction, there is a rebuttable legal presumption that all resultant disability therefrom is work related and compensable, and compensation shall be payable as for the uncomplicated disease, provided, however, that the disease or dysfunction was an essential factor in causing such disability or death.

(8) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative has available findings and reports of the pathologist or doctor who performed the autopsy examination.

(9) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the board when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier; except as otherwise provided herein.

(13) (a) The employer liable for compensation for occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for silicosis and any other compensable pneumoconiosis, shall be the employer in whose employment the employe was last exposed to the hazard of such occupational disease. In those cases where disability or death are not conclusively proven to be the result of such last exposure all compensation shall be paid out of the special fund for all claims filed prior to January 1, 1973; and seventy-five percent (75%) shall be paid by the special fund and twenty-five percent (25%) by the employer for all claims filed thereafter. In all other cases of occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for silicosis and any other compensable pneumoconiosis, the compensation for disability or death due to such diseases shall be paid jointly by the employer and the special fund, and the employer shall be liable for sixty percent (60%) of the compensation due and the special fund shall be liable for forty percent (40%) of the compensation due. Provided, however, that when there is a joint award against the carrier or self-insured employer and the special fund under this section, all of the compensation awarded shall be paid from the special fund and the special fund shall be reimbursed by the carrier or self-insured employer on a quarterly basis and under such regulations as the board may provide for such purpose.

(b) In all claims for compensation partially payable by the special fund the commissioner of labor, as custodian of said fund, shall be designated as codefendant.

(c) In all agreements for the payment of compensation and awards the amount payable by the employer and the amount payable out of the special fund shall be separately stated. An award against the employer shall be for only the percentage of the total compensation which the employer is obligated to pay. A separate award shall be made against the special fund for the balance of the compensation payable. Nothing in this section shall prohibit the commissioner of labor, as custodian of the special fund, from entering into agreements to pay the compensation for which it is liable; provided, however, that where compensation is payable by both the employer and the special fund, the commissioner shall not enter into an agreement unless the employer is a party to the agreement.

Section 4. KRS 342.710 is amended to read as follows:

(1) One of the primary purposes of this chapter shall be restoration of the injured employe to gainful employment. To this end there is hereby created a rehabilitation panel which shall be composed of the director and specialists in medical and vocational rehabilitation to be appointed by the board.

(2) The panel shall continuously study the problems of rehabilitation, both physical and vocational, and shall investigate and maintain a directory of all rehabilitation facilities, both private and public. The board in consultation with the panel, shall approve as qualified such facilities, institutions and physicians as are capable of rendering competent rehabilitation service to seriously injured employes. No facility or institution shall be considered as qualified unless it is specifically equipped to provide rehabilitation services for persons suffering either from some specialized type of disability or general type of disability within the field of occupational injury and is staffed with trained and qualified personnel, and with respect to physical rehabilitation, unless it is supervised by a physician qualified to render such service. No physician shall be considered qualified unless he has had the experience and training specified by the board.

(3) An employe who has suffered an injury covered by this chapter shall be entitled to prompt medical rehabilitation services for whatever period of time necessary to accomplish physical rehabilitation goals which are feasible, practical, and justifiable. When as a result of the injury he is unable to perform work for which he has previous training or experience, he shall be entitled to such vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore him to suitable employment. In all such instances, the board shall inquire whether such services have been voluntarily offered and accepted. The board on its own motion, or upon application of any party or carrier, after affording the parties an opportunity to be heard, may refer the employe to a qualified physician or facility for evaluation of the practicability of, need for, and kind of service, treatment or training necessary and appropriate to render him fit for a remunerative occupation. Upon receipt of such report, and after affording the parties an opportunity to be heard by the panel, the board, in consultation with the panel, may order that the services and treatment recommended in the report, or such other rehabilitation treatment or service *the board* [~~he~~] may deem necessary, be provided at the expense of the defendants as apportioned in the award. Vocational rehabilitation training, treatment or service shall not extend for a period of more than fifty-two (52) weeks except in unusual cases when by special order of the board, after hearing and upon a finding, determined by sound medical evidence which indicates such further rehabilitation is feasible, practical and justifiable, the period may be extended for additional periods.

(4) Where rehabilitation requires residence at or near the facility or institution, away from the employe's customary residence, reasonable cost of his board, lodging or travel shall be paid for by the defendants.

(5) Refusal to accept rehabilitation pursuant to an order of the board shall result in a fifty percent (50%) loss of compensation for each week of the period of refusal.

(6) The board and the rehabilitation panel shall cooperate on a reciprocal basis with the Kentucky bureau of rehabilitation services of the department of education and the employment services of the Kentucky department for human resources.

Committee Substitute to **HB 330** is as follows:

HB 330, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.316 is amended to read as follows:

(1) (a) The employer liable for compensation for occupational disease shall be the employer in whose employment the employe was last exposed to the hazard of the occupational disease during any period in which this section is applicable to a coal mine, an operator who acquired it or substantially all of its assets from a person who was its operator on and after January 1, 1973 shall be liable for, and secure the payment of, the benefits which would have been payable by the prior operator under this section with respect to miners previously employed in the mine if it had not been acquired by such later operator. At the same time, however, this subsection does not relieve the prior operator of any liability under this section. Also, it does not affect whatever rights the later operator might have against the prior operator. Said employer shall have the right to contribution from each previous employer, as determined in an independent civil action, wherein the employe was similarly exposed to the hazard of said occupational disease, in a sum equal to the ratio that each exposure employment time bears to the total exposure employment time except as otherwise provided in paragraph (a) of subsection (13) of this section.

(b) The time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later.

(2) (a) The procedure with respect to the giving of notice and determination of claims in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of claim shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, whichever shall first occur.

(b) The procedure with respect to filing of claims shall be as follows:

1. The application shall set forth the work history of the applicant with a concise description of injurious exposure to a specific occupational disease together with the names and addresses of employer or employers with the approximate date of employment and shall also include with the application two written medical reports supporting his claim. These medical reports shall be made on the basis of comprehensive clinical examinations and shall contain full and complete statements of the results thereof. The reports shall be made by duly licensed physicians. The clinical examinations shall include x-ray examinations. However, the failure of an x-ray examination to disclose the presence of an occupational disease shall not affect the legal presumption referred to in subsection (5) of this section.

2. The filing of a properly executed application for adjustment of claim, accompanied by the two medical reports described in subparagraph 1. of this paragraph, shall satisfy the requirements of the presumptive clause set out in subsection (5) of this section and the burden of proof shall immediately thereafter shift to the employer and the special fund.

3. Immediately upon receipt of said application for adjustment of claim, the board shall notify the affected employer, the special fund and any other interested party of such claim and shall furnish them with a full and complete copy of the claim.

4. Upon receipt of notice of claim the employer, the special fund, and any other interested party shall have the right to have the claimant examined by competent medical experts, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative shall be furnished a copy of said medical report within a reasonable time. *Also, the employer, the special fund, or any other party to the claim shall have the right to have the claimant evaluated by vocational experts or institutions, at their expense, including a reasonable sum for travel. After said examination, the claimant or his representative, shall be furnished a copy of said vocational report within a reasonable time.*

5. Within ninety (90) days of the receipt of notice by the employer of the filing of the claim, the employer, the special fund, and any other interested party shall notify the board and the claimant whether or not the claim will be resisted. *The special fund and any other interested party may file a notice of resistance at any time prior to the entry of an award by the board.* If the claim is not resisted, then the board shall within ten (10) days enter an order and award for the claimant. If the claim is resisted, the board shall set a date for a hearing and shall notify all parties thereof. In litigated claims the regular procedures prescribed by the workers' compensation board shall be followed.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the workers' compensation board within three (3) years after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the workers' compensation board within three (3) years after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the disease or the death of the employe, and its cause was known to the employer. Provided, however, that the right to compensation for any occupational disease shall be forever barred unless a claim is filed with the workers' compensation board within five (5) years from the last injurious exposure to the occupational hazard, except that, in cases of radiation disease, a claim must be filed within 20 years from the last injurious exposure to the occupational hazard.

(4) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury or death under the general provisions of the workers' compensation act, but in no event to exceed such amounts as were in effect at the time of the last injurious exposure, and provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within twenty (20) years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the workers' compensation act and in this section.

(5) Where the occupational disease is a compensable pneumoconiosis and there has been employment exposure for ten (10) years or more to an industrial hazard sufficient to cause the disability of pneumoconiosis there shall be a rebuttable presumption that the disability or death was due to the compensable pneumoconiosis.

(6) Where the employe is suffering or suffered from a chronic dust disease of the lung which:

(a) When diagnosed by chest roentgenogram, yields one or more large opacities (greater than one (1) centimeter in diameter) and would be classified in category A, B, or C in the international classification of radiographs of the pneumoconiosis by the international labor organization;

(b) When diagnosed by biopsy or autopsy, yields massive lesions in the lung; or

(c) When diagnosis is made by other means, would be a condition which could reasonably be expected to yield results described in paragraph (a) or (b) of this subsection if diagnosis had been made in the manner prescribed in paragraph (a) or (b) of this subsection, then there shall be an irrebuttable presumption that he is totally disabled due to pneumoconiosis or that his death was due to pneumoconiosis, as the case may be.

(7) In case of disability or death from silicosis, coal workers' pneumoconiosis, or any other compensable pneumoconiosis, complicated with tuberculosis of the lungs, pulmonary emphysema or other pulmonary dysfunction and there has been employment exposures to harmful dust or industrial hazards reasonably competent to produce such accompanying disease or dysfunction, there is a rebuttable legal presumption that all resultant disability therefrom is work related and compensable, and compensation shall be payable as for the uncomplicated disease, provided, however, that the disease or dysfunction was an essential factor in causing such disability or death.

(8) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative has available findings and reports of the pathologist or doctor who performed the autopsy examination.

(9) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the board when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier; except as otherwise provided herein.

(13) (a) The employer liable for compensation for occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for silicosis and any other compensable pneumoconiosis, shall be the employer in whose employment the employe was last exposed to the hazard of such occupational disease. In those cases where disability or death are not conclusively proven to be the result of such last exposure all compensation shall be paid out of the special fund for all claims filed prior to January 1, 1973; and seventy-five percent (75%) shall be paid by the special fund and twenty-five percent (25%) by the employer for all claims filed thereafter. In all other cases of occupational diseases, other than silicosis or any other compensable pneumoconiosis, which developed to the point of disablement only after an exposure of five (5) or more years, or for silicosis and any other compensable pneumoconiosis, the compensation for disability or death due to such diseases shall be paid jointly by the employer and the special fund, and the employer shall be liable

for sixty percent (60%) of the compensation due and the special fund shall be liable for forty percent (40%) of the compensation due. Provided, however, that when there is a joint award against the carrier or self-insured employer and the special fund under this section, all of the compensation awarded shall be paid from the special fund and the special fund shall be reimbursed by the carrier or self-insured employer on a quarterly basis and under such regulations as the board may provide for such purpose.

(b) In all claims for compensation partially payable by the special fund the commissioner of labor, as custodian of said fund, shall be designated as codefendant.

(c) In all agreements for the payment of compensation and awards the amount payable by the employer and the amount payable out of the special fund shall be separately stated. An award against the employer shall be for only the percentage of the total compensation which the employer is obligated to pay. A separate award shall be made against the special fund for the balance of the compensation payable. Nothing in this section shall prohibit the commissioner of labor, as custodian of the special fund, from entering into agreements to pay the compensation for which it is liable; provided, however, that where compensation is payable by both the employer and the special fund, the commissioner shall not enter into an agreement unless the employer is a party to the agreement.

Section 2. KRS 342.340 is amended to read as follows:

(1) Every employer under this chapter shall either insure and keep insured his liability for compensation hereunder in some corporation, association or organization authorized to transact the business of workmen's compensation insurance in this state or shall furnish to the board satisfactory proof of his financial ability to pay directly the compensation in the amount and manner and when due as provided for in this chapter. In the latter case the board shall require the deposit of an acceptable security, indemnity or bond to secure to such an extent as the board directs the payment of compensation liabilities as they are incurred.

(2) *Every employer subject to this Act shall file, or have filed on its behalf, with the workers' compensation board, as often as may be necessary, evidence of its compliance with the provisions of this section and all others relating hereto. Every employer who has complied with the foregoing provision and has subsequently cancelled its insurance or its membership in an approved group self-insurance association, as the case may be, shall immediately notify, or have notice given on its behalf to the workers' compensation board of such cancellation, the date thereof and the reasons therefore; and every insurance carrier or group self-insurance association shall in like manner notify the workers' compensation board upon the cancellation of any policy issued by it or any membership agreement, whichever is applicable under the provisions of this chapter, except that the carrier or group self-insurance association need not set forth its reasons for cancellation unless requested by the workers' compensation board. The above filings are to be made on the forms prescribed by the board. Cancellation of any policy of insurance issued under the provisions of this chapter shall take effect no greater than ten (10) days prior to the receipt of such cancellation by the workers' compensation board unless the employer has obtained other insurance and the workers' compensation board is notified of that fact by the insurer assuming the risk.* [~~Every employer accepting this chapter shall at the time of such acceptance file with the board in substantially the form prescribed by it, and semiannually thereafter, or as often as may be necessary, evidence of his compliance with the provisions of this section and all others relating thereto. Until these provisions are complied with the employer shall, from the date of his acceptance of the chapter, be liable to an employe either for compensation under this chapter or at law in the same manner as if the employer had refused to accept this chapter. Claim of compensation in such cases shall be considered a waiver of the right to proceed at law and the institution of an action at law shall be considered a waiver of all claim to compensation.~~] Upon determination that any employer under this chapter has failed to comply with these provisions the board shall promptly notify interested government agencies of said failure and with particular reference to employers engaged in coal mining the board shall promptly report any such failures to the department of mines and minerals so that appropriate action may be undertaken pursuant to KRS 351.175.

Section 3. KRS 342.710 is amended to read as follows:

(1) One of the primary purposes of this chapter shall be restoration of the injured employe to gainful employment. To this end there is hereby created a rehabilitation panel which shall be composed of the director and specialists in medical and vocational rehabilitation to be appointed by the board.

(2) The panel shall continuously study the problems of rehabilitation, both physical and vocational, and shall investigate and maintain a directory of all rehabilitation facilities, both private and public. The board in consultation with the panel, shall approve as qualified such facilities, institutions and physicians as are capable of rendering competent rehabilitation service to seriously injured employes. No facility or institution shall be considered as qualified unless it is specifically equipped to provide rehabilitation services for persons suffering either from some specialized type of disability or general type of disability within the field of occupational injury and is staffed with trained and qualified personnel, and with respect to physical rehabilitation, unless it is supervised by a physician qualified to render such service. No physician shall be considered qualified unless he has had the experience and training specified by the board.

(3) An employe who has suffered an injury covered by this chapter shall be entitled to prompt medical rehabilitation services for whatever period of time necessary to accomplish physical rehabilitation goals

which are feasible, practical, and justifiable. When as a result of the injury he is unable to perform work for which he has previous training or experience, he shall be entitled to such vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore him to suitable employment. In all such instances, the board shall inquire whether such services have been voluntarily offered and accepted. The board on its own motion, or upon application of any party or carrier, after affording the parties an opportunity to be heard, may refer the employe to a qualified physician or facility for evaluation of the practicability of, need for, and kind of service, treatment or training necessary and appropriate to render him fit for a remunerative occupation. Upon receipt of such report, and after affording the parties an opportunity to be heard by the panel, the board, in consultation with the panel, may order that the services and treatment recommended in the report, or such other rehabilitation treatment or service *the board* [~~he~~] may deem necessary, be provided at the expense of the defendants as apportioned in the award. Vocational rehabilitation training, treatment or service shall not extend for a period of more than fifty-two (52) weeks except in unusual cases when by special order of the board, after hearing and upon a finding, determined by sound medical evidence which indicates such further rehabilitation is feasible, practical and justifiable, the period may be extended for additional periods.

(4) Where rehabilitation requires residence at or near the facility or institution, away from the employe's customary residence, reasonable cost of his board, lodging or travel shall be paid for by the defendants.

(5) Refusal to accept rehabilitation pursuant to an order of the board shall result in a fifty percent (50%) loss of compensation for each week of the period of refusal.

(6) The board and the rehabilitation panel shall cooperate on a reciprocal basis with the Kentucky bureau of rehabilitation services of the department of education and the employment services of the Kentucky department for human resources.

HB 746, AN ACT relating to unemployment insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 341.030 is amended to read as follows:

(1) As used in this chapter, unless the context clearly requires otherwise, and except as provided in subsections (2) to (6) of this section, "wages" means all remuneration for services, including commissions, bonuses, and, except for services performed in agriculture and domestic employment, the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the commission.

(2) Amounts paid to traveling salesmen or other workers as allowance or reimbursement for traveling or other expenses, incurred on the business of the employing unit, constitute wages only to the extent of the excess of such amounts over such expenses actually incurred and accounted for by the worker to his employer *except that "wages" does not include the cash value of meals and lodging furnished for the convenience of the employer.*

(3) Gratuities and tips customarily received by a worker in the course of his employment from persons other than his employing unit do not constitute wages but only if the employing unit does not:

(a) Determine the distribution; or

(b) Take them into account to determine wages; or

(c) Impose or require such tips from other persons.

(4) "Wages" does not include the amount of any payment made to, or on behalf of, a worker under a plan or system established by an employing unit that makes provision for its workers generally or for a class of its workers, including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment, on account of:

(a) Retirement;

(b) Sickness or accident disability;

(c) Medical and hospitalization expenses in connection with accident or sickness disability; or

(d) Death, if the worker has not:

1. The option to receive, instead of provision for such death benefit, any part of the payment, or if such death benefit is insured, any part of the premiums or contributions to premiums paid by his employing unit, and

2. The right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of it either upon his withdrawal

from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employing unit.

(5) "Wages" does not include the amount of any payment made by an employing unit *on behalf of an agricultural or domestic* [~~without deduction from the remuneration of the~~] worker of the tax imposed under section 3101 of the Internal Revenue Code.

(6) "Wages" does not, for the purposes of KRS 341.260 to 341.310, include that part of remuneration which, after wages equal to *eight thousand dollars ($8,000)* [~~six thousand dollars ($6,000)~~] have been paid in a calendar year to a worker by a subject employer or his predecessor with respect to covered employment during any calendar year, is paid to such worker by such subject employer during such calendar year unless that part of the wages is subject to a tax under a federal law, imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. For the purpose of this subsection, the term "covered employment" shall include service constituting covered employment under any unemployment compensation law of another state.

Section 2. KRS 341.270 is amended to read as follows:

(1) Except as otherwise provided in this section, each employer's contribution rate shall be *three percent (3.0%)* [~~two and seven-tenths percent (2.7%) provided the fund solvency factor, as defined in this section, equals or exceeds 0.4 and shall be three percent (3.0%) if the fund solvency factor is less than 0.4, or the trust fund balance as of December 31 immediately preceding the rate year is less than one hundred million dollars ($100,000,000)~~].

(2) No subject employer's contribution rate shall be less than *three percent (3.0%)* [~~two and seven-tenths percent (2.7%) provided the fund solvency factor equals or exceeds 0.4 nor less than three percent (3.0%) if the fund solvency factor is less than 0.4, or the trust fund balance as of December 31 immediately preceding the rate year is less than one hundred million dollars ($100,000,000)~~], unless *he has been an employer subject to the provisions of this chapter for twelve (12)* [~~benefits were chargeable to his account with respect to the thirty-six (36)~~] consecutive *calendar quarters ended as of* [~~months immediately preceding~~] the computation date.

(3) For the calendar year *1982* [~~1981~~] and each calendar year thereafter, employer contribution rates shall be determined in accordance with "Table A" set out in subsection (4) of this section. For each calendar year, the secretary shall determine the *rate schedule to be in effect based upon the "trust fund balance" as of December 31 of the preceding year.* [~~fund solvency factor, as of the 31st day of October immediately preceding the calendar year for which contribution rates are determined, by dividing the "benefit cost rate" into the "statewide reserve rate."~~] If such *"trust fund balance"* [~~factor~~]:

(a) Equals or exceeds *three hundred fifty million dollars ($350,000,000)* [~~1.8~~], the rates listed in "Schedule A" of "Table A" shall be in effect.

(b) Equals or exceeds *two hundred seventy-five million dollars ($275,000,000)* [~~1.5~~] but is less than *three hundred fifty million dollars ($350,000,000)* [~~1.8~~], the rates listed in "Schedule B" of "Table A" shall be in effect.

(c) Equals or exceeds *two hundred fifty million dollars ($250,000,000)* [~~1.2~~] but is less than *two hundred seventy-five million dollars ($275,000,000)* [~~1.5~~], the rates listed in "Schedule C" of "Table A" shall be in effect.

(d) Equals or exceeds *two hundred million dollars ($200,000,000)* [~~1.0~~] but is less than *two hundred fifty million dollars ($250,000,000)* [~~1.2~~], the rates listed in "Schedule D" of "Table A" shall be in effect.

(e) [~~Equals or exceeds 0.8 but~~] Is less than *two hundred million dollars ($200,000,000)* [~~1.0~~], the rates listed in "Schedule E" of "Table A" shall be in effect.

[~~(f) Equals or exceeds 0.6 but is less than 0.8, the rates listed in "Schedule F" of "Table A" shall be in effect.~~

~~(g) Equals or exceeds 0.4 but is less than 0.6, the rates in "Schedule G" of "Table A" shall be in effect.~~

~~(h) Less than 0.4, the rates listed in "Schedule H" of "Table A" shall be in effect.~~

~~(i) Notwithstanding the rate schedule set forth in this section, rate Schedule H shall be in effect for the calendar year 1981 and each calendar year thereafter when the "Trust Fund Balance" as of December 31st immediately preceding the rate year is less than one hundred million dollars ($100,000,000).~~]

(4) For the calendar year *1982* [~~1981~~] and each calendar year thereafter, contribution rates shall be determined upon the basis of an individual employer's reserve ratio as of *October 31 immediately preceding* the computation date and the schedule of rates established under subsection (3) of this section. Except as otherwise provided in this section, the contribution rate for each subject employer for the calendar year immediately following the computation date shall be the rate in that "Schedule" of "Table A," as set out below, effective with respect to such calendar year, which appears on the same line as his reserve ratio as shown in the "Employer Reserve Ratio" column of the same table.

TABLE A
Rate Schedule

Employer Reserve Ratio	*A*	*B*	*C*	*D*	*E*
8.0% and over	*0.10%*	*0.20%*	*0.50%*	*0.70%*	*1.00%*
7.0% but under 8.0%	*0.20%*	*0.40%*	*0.70%*	*0.90%*	*1.20%*
6.0% but under 7.0%	*0.30%*	*0.50%*	*0.80%*	*1.00%*	*1.30%*
5.0% but under 6.0%	*0.65%*	*0.85%*	*1.15%*	*1.35%*	*1.65%*
4.6% but under 5.0%	*1.10%*	*1.30%*	*1.60%*	*1.80%*	*2.10%*
4.2% but under 4.6%	*1.65%*	*1.85%*	*2.15%*	*2.35%*	*2.65%*
3.9% but under 4.2%	*2.00%*	*2.20%*	*2.50%*	*2.70%*	*3.00%*
3.6% but under 3.9%	*2.25%*	*2.45%*	*2.75%*	*2.95%*	*3.25%*
3.2% but under 3.6%	*2.30%*	*2.50%*	*2.80%*	*3.00%*	*3.30%*
2.7% but under 3.2%	*2.35%*	*2.55%*	*2.85%*	*3.05%*	*3.35%*
2.0% but under 2.7%	*2.40%*	*2.60%*	*2.90%*	*3.10%*	*3.40%*
1.3% but under 2.0%	*2.45%*	*2.65%*	*2.95%*	*3.15%*	*3.45%*
0.0% but under 1.3%	*2.50%*	*2.70%*	*3.00%*	*3.20%*	*3.50%*
-0.5% but under -0.0%	*5.00%*	*5.50%*	*6.00%*	*6.50%*	*7.00%*
-1.0% but under -0.5%	*5.20%*	*5.70%*	*6.20%*	*6.70%*	*7.20%*
-1.5% but under -1.0%	*5.40%*	*5.90%*	*6.40%*	*6.90%*	*7.40%*
-2.0% but under -1.5%	*5.60%*	*6.10%*	*6.60%*	*7.10%*	*7.60%*
-3.0% but under -2.0%	*5.90%*	*6.40%*	*6.90%*	*7.40%*	*7.90%*
-4.0% but under -3.0%	*6.00%*	*6.50%*	*7.00%*	*7.50%*	*8.00%*
-6.0% but under -4.0%	*6.10%*	*6.60%*	*7.10%*	*7.60%*	*8.10%*
-8.0% but under -6.0%	*6.40%*	*6.90%*	*7.40%*	*7.90%*	*8.40%*
Less than -8.0%	*6.50%*	*7.00%*	*7.50%*	*8.00%*	*8.50%*

[~~TABLE A~~
~~Rate Schedule~~

~~Employer Reserve Ratio~~	~~A~~	~~B~~	~~C~~	~~D~~	~~E~~	~~F~~	~~G~~	~~H~~
~~6.0% and over~~	~~0.1%~~	~~0.2%~~	~~0.3%~~	~~0.4%~~	~~0.5%~~	~~0.7%~~	~~1.0%~~	~~1.3%~~
~~5.0% but under 6.0%~~	~~0.2%~~	~~0.3%~~	~~0.4%~~	~~0.5%~~	~~0.6%~~	~~1.0%~~	~~1.3%~~	~~1.6%~~
~~4.6% but under 5.0%~~	~~0.3%~~	~~0.4%~~	~~0.5%~~	~~0.6%~~	~~0.7%~~	~~1.4%~~	~~1.7%~~	~~2.0%~~
~~4.2% but under 4.6%~~	~~0.4%~~	~~0.5%~~	~~0.6%~~	~~0.7%~~	~~0.9%~~	~~1.7%~~	~~2.2%~~	~~2.5%~~
~~3.9% but under 4.2%~~	~~0.5%~~	~~0.6%~~	~~0.8%~~	~~1.0%~~	~~1.5%~~	~~2.2%~~	~~2.5%~~	~~2.8%~~
~~3.6% but under 3.9%~~	~~0.6%~~	~~0.7%~~	~~1.0%~~	~~1.4%~~	~~2.1%~~	~~2.5%~~	~~2.7%~~	~~3.0%~~
~~3.2% but under 3.6%~~	~~0.7%~~	~~1.0%~~	~~1.5%~~	~~2.0%~~	~~2.6%~~	~~2.6%~~	~~2.7%~~	~~3.0%~~
~~2.7% but under 3.2%~~	~~0.8%~~	~~1.3%~~	~~2.0%~~	~~2.5%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~3.0%~~
~~2.0% but under 2.7%~~	~~1.0%~~	~~1.7%~~	~~2.5%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~3.0%~~
~~1.3% but under 2.0%~~	~~1.5%~~	~~2.1%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~3.0%~~
~~0.0% but under 1.3%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~2.7%~~	~~3.0%~~
~~-4.0% but under 0.0%~~	~~3.0%~~	~~3.2%~~	~~3.7%~~	~~4.0%~~	~~4.2%~~	~~4.6%~~	~~4.9%~~	~~6.3%~~
~~-8.0% but under -4.0%~~	~~3.5%~~	~~3.7%~~	~~4.0%~~	~~4.2%~~	~~4.4%~~	~~4.8%~~	~~5.0%~~	~~6.5%~~
~~Less than -8.0%~~	~~4.0%~~	~~4.4%~~	~~4.6%~~	~~4.8%~~	~~5.0%~~	~~5.1%~~	~~5.2%~~	~~6.7%~~]

(5) *Notwithstanding any section of this chapter to the contrary, on or after July 1, 1982, any foreign corporation or other legal entity engaged in the contract construction trades shall pay contributions equal to the average rate of contributions paid by all contract construction employers subject to this chapter for the year preceding the year in which such contract construction employer first employed workers in this state; and, such rate of contribution payments shall remain in effect until the employer has employed persons in this state for not less than twelve (12) consecutive calendar quarters ending as of the computation date. Thereafter, such employer's contribution rate shall be determined in accordance with the provisions of subsection (4) of this section. This section shall not apply to those construction contracts let prior to July 1, 1982.*

(6) As used in this section and elsewhere in this chapter, unless the context clearly requires otherwise:

(a) "Trust fund balance" means the amount of money in the unemployment insurance fund, less any unpaid advances made to the state under section 1201 of the social security act. In determining the amount in the fund as of a given date all money received by the department as of such date shall be considered as being in the fund on such date.

(b) "Total wages" means all remuneration for services, as defined in subsections (1) to (5) of KRS 341.030, paid by subject employers.

(c) [~~"Statewide reserve rate" means the percentage ratio obtained by dividing the total wages for the four calendar quarters ending on the 30th day of September, which have been reported to the department on or before the immediately following 31st day of October, into the "trust fund balance" as of that same date.~~

~~(d) "Benefit cost rate" means the percentage ratio obtained by dividing the total amount of benefits paid during the highest twelve consecutive calendar-month period since 1956 by the total wages reported to the department for the four (4) quarters ending immediately prior to the end of such twelve-month period.~~

~~(e)~~] An employer's "reserve ratio" means the percentage ratio of his reserve account balance as of the computation date to his taxable payrolls for the *twelve (12) consecutive calendar quarters ended as of the* [~~thirty-six (36) months last preceding such~~] computation date.

(d)[~~(f)~~] An employer's "reserve account balance" means the amount by which contributions credited to his reserve account exceed benefits charged to such account. If benefits charged to an account exceed contributions credited to such account as of the computation date, such account shall be considered as having a debit balance and a reserve ratio of "less than zero."

(e)[~~(g)~~] "Computation date" *is December 31 of each calendar year* [~~means the date, occurring at least once in each calendar year and within twenty-seven (27) weeks~~] prior to the effective date of new rates of contributions[~~, as of which individual employer contribution rates are computed. The secretary shall by regulation prescribe the computation date~~].

Section 3. KRS 341.350 is amended to read as follows:

An unemployed worker shall, except as provided in KRS 341.360 and 341.370, be eligible for benefits with respect to any week of unemployment only if:

(1) He has made a claim for benefits;

(2) He has registered for work with respect to such week in accordance with regulations prescribed by the secretary;

(3) He is physically and mentally able to work;

(4) He is available for suitable work, and making such reasonable effort to obtain work as might be expected of a prudent person under like circumstances;

(5) His base-period wages in that calendar quarter of his base period in which such wages were highest are equal to at least *seven hundred and fifty dollars ($750)* [~~five hundred dollars ($500)~~], and his total base-period wages are not less than one and three-eighths (1 ⅜) times the base-period wages paid to him in such quarter and he was paid base-period wages in the last six (6) months of his base period equal to at least eight (8) times his weekly benefit rate with a minimum of *seven hundred and fifty dollars ($750)* [~~five hundred dollars ($500)~~] earned outside the high quarter;

(6) An otherwise eligible worker shall not be denied benefits under subsection (4) of this section or because of his failure to actively seek work, nor disqualified under paragraph (a) of subsection (1) of KRS 341.370 with respect to any week he is in training with the approval of the secretary.

(7) The foregoing eligibility requirements and the conditions of benefit disqualifications imposed by KRS 341.370 shall be strictly construed. Nothing in this section, excepting subsection (5), nor in KRS 341.360 or 341.370 shall affect the establishment of a "benefit year."

Section 4. KRS 341.370 is amended to read as follows:

(1) A worker shall be disqualified from receiving benefits for the duration of any period of unemployment with respect to which:

(a) He has failed without good cause either to apply for available, suitable work when so directed by the employment office or the secretary or to accept suitable work when offered him, or to return to his customary self-employment when so directed by the secretary; or

(b) He has been discharged for misconduct or dishonesty connected with his most recent work, but legitimate activity in connection with labor organizations or failure to join a company union shall not be construed as misconduct; or

(c) He has left his most recent suitable work voluntarily without good cause attributable to the employment.

(2) A worker shall be disqualified from receiving benefits for any week with respect to which he knowingly made a false statement to establish his right to or the amount of his benefits, and, within the succeeding twenty-four (24) months, for such additional weeks immediately following the date of discovery, not to exceed a total of fifty-two (52), as may be determined by the secretary.

(3) No worker shall be disqualified under paragraph (b) or (c) of subsection (1) of this section unless the employer, within a reasonable time as prescribed by regulations promulgated by the secretary, notifies the department for human resources and the worker in writing of the alleged voluntary quitting or the discharge for misconduct; provided, however, that nothing in this subsection shall restrict the right of the secretary for human resources to disqualify a worker whose employer has refused or failed to notify the department for human resources of the alleged voluntary quitting or discharge for misconduct if such alleged voluntary quitting or discharge for misconduct is known to the secretary for human resources prior to the time benefits are paid to such worker; provided, further, that the exercise of such right by the secretary for human resources, in the absence of timely notice from the employer, shall not relieve the employer's reserve account of benefit charges under the provisions of subsection (3) of KRS 341.530.

(4) As used in this section and in subsection (3) of KRS 341.530, "most recent" work shall be construed as that work which occurred after the first day of the worker's base period and which last preceded the week of unemployment with respect to which benefits are claimed; except that, if the work last preceding such week of unemployment was seasonal, intermittent or temporary in nature, most recent work may be construed as that work last preceding such seasonal, intermittent or temporary work.

(5) No worker shall be disqualified or held ineligible under the provisions of this section or KRS 341.350, who is separated from employment pursuant to a labor management contract or agreement, or pursuant to an established employer plan, program or policy, which permits the employer to close the plant or facility for purposes of vacation or maintenance.

(6) The term "misconduct" as used in paragraph (b) of subsection (1) of this section shall be construed to mean conduct evincing willful and wanton disregard of an employer's interest or a carelessness or negligence of such degree or recurrence as to show an intentional or substantial disregard of the employer's interest.

Section 5. KRS 341.380 is amended to read as follows:

(1) All benefits shall be paid through employment offices, or such other agencies as may be designated by regulations of the secretary. Claims for all payments of benefits shall be made in accordance with regulations of the secretary.

(2) The weekly benefit rate payable to an eligible worker for weeks of unemployment shall, except as provided in KRS 341.390, be an amount equal to *one percent (1%) of his total base-period wages, except that no worker's weekly benefit amount shall be less than twenty-two dollars ($22.00), nor more than the maximum rate as determined in accordance with subsection (3) of this section* [~~one twenty-third (1/23) of his base-period wages in that calendar quarter of his base period in which such wages were highest~~].

(3) Prior to the first day of July of each year the secretary shall determine the average weekly wage for insured employment by dividing the average monthly employment, as obtained by dividing the total monthly employment reported by subject employers for the preceding calendar year by twelve (12), into the total wages reported by such employers for such calendar year and dividing by fifty-two (52). Fifty-five percent (55%) of the amount thus obtained, adjusted to the nearest multiple of one dollar ($1.00), shall constitute the maximum weekly benefit rate for those workers whose benefit year commences on or after the first day of July of such year and prior to the first day of July of the next following year*; except that for the benefit years beginning on or after July 1, 1982, if the "trust fund balance" as of December 31 immediately preceding the benefit year is less than one hundred twenty million dollars ($120,000,000), the maximum weekly benefit rate shall not exceed the prior year's maximum weekly benefit rate.*

(4) The maximum amount of benefits payable to any worker within any benefit year shall be the amount equal to whichever is the lesser of (a) twenty-six (26) times his weekly benefit rate or (b) one-third (⅓) of his base-period wages, except that no worker's maximum amount shall be less than fifteen (15) times his weekly benefit rate. Such maximum amount, if not a multiple of one dollar ($1.00), shall be adjusted to the nearest multiple of one dollar ($1.00).

Section 6. KRS 341.530 is amended to read as follows:

(1) The department shall maintain a reserve account for each subject employer, and shall, except as provided in KRS 341.590, credit to such account the total amount of all contributions paid by the employer on his own behalf. Nothing in this section or elsewhere in this chapter shall be construed to grant any employer or individual who is or was in his employ prior claims or rights to the amounts paid by him into the fund.

(2) Except as provided in subsection (3) of this section, all regular benefits paid to an eligible worker in accordance with KRS 341.380 plus the extended benefits paid in accordance with KRS 341.700 through KRS 341.740, subject to the provisions of paragraphs (a) and (b) below, shall be charged proportionately against the accounts of those of his subject employers from whom he has base-period wages. The proportion so used shall be that ratio which is obtained by dividing the base-period wages of a worker received from such employer by the total base-period wages and previously uncovered wages, as defined in KRS 341.092, of such worker, provided, however, that the division may, when necessary, make such fractional adjustments in such computation as may be required to assure mathematical compliance with this provision:

(a) Subject employers, which are not governmental entities as defined in KRS 341.069, shall be charged one-half (½) of the extended benefits paid in accordance with KRS 341.700 through 341.740; and

(b) Subject employers which are governmental entities, as defined in KRS 341.069, shall be charged for all extended benefits paid in accordance with KRS 341.700 through 341.740 for compensable weeks occurring on or after January 1, 1979 and for one-half (½) of the extended benefits paid for compensable weeks occurring prior to such date.

(3) Notwithstanding the provisions of subsection (2) of this section, benefits paid to an eligible worker and chargeable to an employer's reserve account under such subsection shall be charged against the pooled account if such worker was discharged by such employer for misconduct connected with his most recent work for such employer, voluntarily left his most recent work with such employer without good cause attributable to the employment, or such employer has continuously employed the worker without significant interruption since the end of the worker's base period and in the week with respect to which benefits are paid, wages and employment are provided to the worker by such employer to the same extent as during the base period, and the employer within a reasonable time, as prescribed by regulation of the secretary, notifies the department, in writing, of the alleged voluntary quitting, discharge for misconduct or continuing employment; provided, however, that no employer making payments to the fund in lieu of contributions shall be relieved of charges by reason of this subsection.

(4) Each subject employer's reserve account shall, unless terminated as of the computation date (as defined in subsection *(6)* [~~(5)~~] of KRS 341.270), be charged with all benefits paid to eligible workers which are chargeable to such reserve account under subsection (2) of this section. A subject employer's reserve account shall be deemed to be terminated if he has ceased to be subject to this chapter, and his account has been closed and any balance remaining therein has been transferred to the fund's pooled account or to a successor's account as provided in KRS 341.540.

(5) [~~Any subject employer may at any time make voluntary payments to the fund, additional to the contributions required under KRS 341.260 and 341.270. Notwithstanding any other provision of this chapter, contributions paid within one month following the computation date and voluntary payments made within twenty days following the mailing of notices of new rates shall, in accordance with regulations established by the secretary, be credited to an employer's reserve account as of the computation date; provided, no voluntary payments shall be used in computing an employer's rate unless such payment is made prior to the expiration of one hundred and twenty days after the beginning of the year for which such rate is effective.~~

~~(6)~~] Notwithstanding subsection (1) of this section, two (2) or more nonprofit (Internal Revenue Code 501(c)(3)) organizations may jointly request the secretary to establish a group reserve account for such nonprofit organizations. Two (2) or more governmental entities may jointly request the secretary to establish a group reserve account, and once established, such account shall remain in effect at least two (2) calendar years and thereafter until either dissolved at the discretion of the secretary or upon filing application for dissolution by the group members. Each member of a group shall be jointly and severally liable for all payments due under this chapter from each or all of such group members. The secretary shall prescribe such procedures as he deems necessary for the establishment, maintenance and dissolution of a group reserve account.

Section 7. Whereas, the enactment of the provisions of this Act is necessary to alleviate the current insolvency of the unemployment insurance trust fund, an emergency is declared to exist and Sections 1, 2, and 6 of this Act shall become effective January 1, 1982. Sections 3, 4 and 5 shall become effective July 1, 1982.

Committee Amendment No. 1 to **HB 746** is as follows:

Amend printed copy of **HB 746,** page 1, beginning on line 18 and ending on line 20 by deleting:

"*except that "wages" does not include the cash value of meals and lodging furnished for the convenience of the employer*"

on page 3, beginning on line 5 and ending on line 6, by deleting:

"*on behalf of an agricultural or domestic*"

and beginning on line 6 and ending on line 7 by deleting the brackets and strike-throughs

On page 5, lines 21 and 22, by deleting "*two hundred million dollars ($200,000,000)*" and by inserting in lieu thereof: "*one hundred fifty million dollars ($150,000,000)*"

On page 5, lines 25 and 26 by deleting "*two hundred million dollars ($200,000,000)*" and by inserting in lieu thereof: "*one hundred fifty million dollars ($150,000,000)*"

On page 6, line 18, by deleting "*October 31 immediately preceding*"

On page 10, line 8, by inserting the following after "*corporation*":

"*authorized to do business in this state or any foreign corporation active in conjunction with a domestic corporation in a joint venture, partnership*"

On page 10, line 17, by inserting after "*of*" "*September 30 immediately preceding*"

On page 11, line 23, following "*as of*" by adding "*September 30 immediately preceding*"

On page 11, beginning on line 26, by inserting before "an" the following:

"*For the purposes of this section,*"

On page 12, line 1, by placing brackets and strikethroughs around "by which" and by inserting in lieu thereof "*of*"

On page 12, line 2, by placing brackets and strikethroughs around "exceed benefits charged to such account" and by inserting in lieu thereof "*as of the computation date, less the benefit charges through September 30 immediately preceding the computation date*"

On page 12, line 4, by placing brackets and strikethroughs around "as of the computation date"

On page 12, line 7, by deleting "*December*" and by inserting "*October*"

On page 16, beginning on line 8 and ending on line 13 by deleting those lines in their entirety and by inserting the following new subsection 6:

"*(6) "Discharge for misconduct" as used in this section shall include but not be limited to separation initiated by an employer for falsification of an employment application to obtain employment through subterfuge; knowing violation of a reasonable and uniformly enforced rule of an employer; unsatisfactory attendance if the worker cannot show good cause for absences or tardiness; damaging the employer's property through gross negligence; refusing to obey reasonable instructions; reporting to work under the influence of alcohol or drugs or consuming alcohol or drugs on employer's premises during working hours; conduct endangering safety of self or coworkers; incarceration in jail following conviction of a misdemeanor or felony by a court of competent jurisdiction, or any breach of duty in connection with work which is reasonably owed employer by an employe.*"

On page 16, beginning on line 23 and ending on line 24, by deleting *one percent (1%)* and by inserting in lieu thereof: *one and one hundred eighty-five one-thousandths of one percent (1.185%)*

On page 20 beginning on line 24 and ending on page 21, line 12, by deleting the brackets and strikethroughs.

On page 21, line 2, by placing brackets and strikethroughs around "within one month following" and insert in lieu thereof: *on or before*

On page 21, line 11, by adding the following sentence:

"*The provisions of this subsection shall expire on July 1, 1983.*"

Committee Amendment No. 2 to **HB 746** is as follows:

Amend printed copy of **HB 746,** page 10, line 7, by inserting after "*1982,*" the words "*any new domestic corporation, or*"

HB 803, AN ACT relating to purchasing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Purchaser" shall mean any governmental agency, business, nonprofit organization or any individual or group funded, in whole or in part, by public funds.

(2) "American product" shall mean any product assembled in the United States or Canada which does not contain more than fifty percent (50%) component parts imported from outside the borders of the United States or Canada.

SECTION 2. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

Purchasers shall purchase only American products unless the purchaser can show, in writing, to the chief purchasing officer, that American products are unavailable or cannot be acquired within a reasonable time to meet the purchaser's requirements.

SECTION 3. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

This Act shall not apply to medical or scientific products; however, American medical or scientific products shall be purchased when possible.

Section 4. KRS 45A.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or be imprisoned not less than one (1) year nor more than five (5) years, or both such fine and imprisonment. Any firm, corporation, or association which violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000).

(2) Any person who violates any provisions of KRS 45A.330 to 45A.340, shall be guilty of a Class B misdemeanor, and in addition he shall be adjudged to have forfeited any statutory office or employment which he may hold.

(3) Any person who willfully violates this code shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or by both fine and imprisonment in the discretion of the jury.

(4) Any employe or any official of the Commonwealth of Kentucky, elective or appointive, who shall take, receive, or offer to take or receive, either directly or indirectly, any rebate, percentage of contract, money, or other things of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, for, or to, or from, any person, partnership, firm or corporation, offering, bidding for, or in open market seeking to make sales to the Commonwealth of Kentucky, shall be deemed guilty of a felony and upon conviction such person or persons shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not less than one (1) year nor more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

(5) Every person, firm, or corporation offering to make, or pay, or give, any rebate, percentage of contract, money or any other thing of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, to any employe or to any official of the Commonwealth, elective or appointive, in his efforts to bid for, or offer for sale, or to seek in the open market, shall be deemed guilty of a felony and shall be punished by a fine not to exceed five thousand dollars ($5,000) or by imprisonment in the penitentiary for not less than one (1) year nor more than ten (10) years, or both so fined and imprisoned in the discretion of the jury.

(6) Criminal penalties for violations of the laws which are in existence on January 1, 1980 shall not be impaired.

(7) This section shall not apply to any officer or employe of a political subdivision, including a school district, nor to the procurement activities of any such political subdivision unless such political subdivision has elected to operate under KRS 45A.345 through 45A.460.

(8) Any person who violates Section 2 of this Act shall be guilty of a class D felony.

SB 255, AN ACT relating to the sale of new motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in this section unless the context requires otherwise:

(1) "Buyer" means any resident person who buys or contracts to buy a new motor vehicle in the Commonwealth of Kentucky.

(2) "Manufacturer" means any person, resident or nonresident, who manufactures or assembles new motor vehicles which are sold in the Commonwealth of Kentucky.

(3) "Motor vehicle" means any two-axle, motor-driven vehicle with at least four (4) wheels which is required to be registered or licensed in the Commonwealth of Kentucky before being operated upon the highways and is used or bought for use primarily for personal, family, or household purposes.

(4) "New motor vehicle" means a motor vehicle which, after its final assembly, is either in the possession of the manufacturer, factory branch or distributor, or an authorized dealer operating under a franchise with the manufacturer, factory branch or distributor, and the legal or equitable title to which has never been the subject of a sale or transfer other than to another dealer operating under a similar franchise with the same manufacturer, factory branch or distributor.

(5) "System" means an informal dispute resolution procedure adopted by each manufacturer to resolve questions of law and fact relating to disputes between the buyer and the manufacturer arising within the first two (2) years or twenty-five thousand (25,000) miles of the buyer's ownership, whichever occurs first, including but not limited to unsatisfactory warranty repairs of the buyer's motor vehicle, mechanical malfunctions of the buyer's motor vehicle, or other problems relating to the performance of the buyer's motor vehicle.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Effective January 1, 1983, each motor vehicle manufacturer shall offer to the buyer a comprehensive informal dispute resolution system. By transacting business in the Commonwealth of Kentucky, each manufacturer is deemed to have voluntarily consented to participate in the system. Each system shall operate pursuant to written rules and procedures which:

(a) Ensure that the system is impartial, accessible to the buyer, and expeditious, and shall operate at no cost to the buyer;

(b) Provide that if the buyer elects to submit the dispute to the system, the manufacturer shall not refuse to submit the dispute to the system as long as the subject of the dispute occurred during the first two (2) years or twenty-five thousand (25,000) miles, whichever occurs first, of the buyer's ownership of the motor vehicle involved in the dispute;

(c) Provide that the system shall provide for an oral hearing, unless the buyer agrees in writing that the system shall render a decision based solely on documents submitted to it;

(d) Shall include, but is not limited to, procedures for informing the buyer of the existence of the system, preparing the agreement between the buyer and the manufacturer whereby the dispute may be submitted to the system, selecting the members of the decision-making panel, notifying the parties of the complaint, investigating the complaint, providing for hearings, rendering a fair and expeditious decision, and informing parties of the decision.

(2) The decision of the system shall be legally binding on the parties. The written agreement between the buyer and the manufacturer whereby the dispute is submitted to the system shall include in conspicuous, bold-faced type the following statement:

> *"YOU SHOULD REMEMBER THAT BY ENTERING INTO THIS AGREEMENT YOU ARE DECIDING TO USE THIS DISPUTE RESOLUTION SYSTEM TO SETTLE YOUR DISPUTE INSTEAD OF GOING TO COURT. AFTER A DECISION BY AN ARBITRATOR, NORMALLY A COURT WILL REFUSE TO HEAR THE FACTS IN A CASE IN ALL BUT THE MOST UNUSUAL SITUATIONS. YOUR SIGNATURE IS REQUIRED IMMEDIATELY BELOW TO INDICATE THAT YOU HAVE READ THIS DISCLOSURE.*
>
> ______________________________"
>
> *SIGNATURE OF BUYER*

(3) Before a dispute may be submitted to the system, the buyer shall sign the disclosure statement required by subsection (2) above.

(4) Each manufacturer shall take steps reasonably calculated to make the buyer aware of the existence of the system at the time the dispute arises.

(5) Each manufacturer shall take all steps necessary to ensure that the system is sufficiently insulated from the manufacturer so that the decisions of the system are not influenced by the manufacturer. The system's decision-making panel shall be composed of members at least fifty-one percent (51%) of whom have no involvement in the manufacture, distribution or sale of motor vehicles. No member deciding a dispute shall be a party to the dispute; nor shall any member deciding a dispute be an employe or agent of a party to the dispute, unless solely for the purpose of impartially deciding disputes.

(6) Nothing herein shall prohibit the manufacturer from participating in a system sponsored or administered by an impartial third party having no direct involvement in the manufacture, distribution, sale, or service of motor vehicles.

(7) Each dispute resolution system shall provide to the office of the attorney general, upon request, the name and address of each buyer whose complaint is resolved through its system. The attorney general shall have the authority to monitor each dispute resolution system as well as review the records on each complaint, upon request. An annual report shall be prepared and published by the office of the attorney general evaluating the performance, effectiveness, and benefits of the system, and shall include in this report recommendations for continuing, modifying, or terminating the requirement of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Noncompliance with this Act by a manufacturer shall be unlawful. The attorney general shall have authority to enforce this Act in accordance with powers provided by KRS 367.190 and 367.230-.300, pertaining to acts declared unlawful by KRS 367.170.

The Committee on State Government reported **HB 657,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 657, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18.180 is amended to read as follows:

(1) The Governor shall appoint the commissioner of personnel, who shall be considered an employe of the state. He shall be a person who has had extensive training and experience in personnel administration or in allied fields, shall have known sympathies with the merit principle in government service, and shall evidence such other qualifications as are essential to the performance of the duties of the position.

(2) The department of personnel shall be a department in the finance and administration cabinet, and the commissioner shall have such duties and responsibilities as assigned by the secretary of the finance and administration cabinet, and shall be responsible to and report to the secretary.

(3) There is established within the department of personnel the following divisions, each of which shall be headed by a director appointed by the secretary of the finance and administration cabinet, pursuant to KRS 12.050;

(a) The division of classification and compensation, which shall be responsible for, but not limited to, the maintenance of plans of classification and compensation for the state service; for the review and evaluation of these plans; and for the coordination of programs providing services to employes;

(b) The division of agency relations, which shall be responsible for, but not limited to, the maintenance of central personnel files on employes in the state service, preparation of registers of candidates for state employment, processing of personnel documents, the services and staff for the personnel board, and counseling state agencies regarding personnel programs;

(c) The division of applicant counseling and examinations, which shall be responsible for, but not limited to, the operation of a centralized applicant counseling and examination program for state employment and outreach programs such as the administrative intern program;

(d) The division of employe benefits and payroll, which shall be responsible for, but not limited to, design and administration of employe benefits, coordination of the workers' compensation program, management information, coordination of equal employment opportunity and affirmative action, and certification of payrolls of various state agencies; and

(e) The division of career training, which shall be responsible for, but not limited to, the coordination and implementation of all education and training programs, with a special emphasis on managerial and office technical skills within the executive branch.

(4) The department shall include such principal assistants appointed by the commissioner, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as necessary to execute the functions and duties of the department.

Section 2. KRS 42.011 is amended to read as follows:

There is established a *cabinet* [~~department~~] of state government to be known as the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the *"cabinet"* [~~"department"~~]). The *cabinet* [~~department~~] shall be headed by the secretary of the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the "secretary"), which office is hereby created. The secretary shall be appointed by the governor. The secretary shall be bonded as required by KRS 62.160 in the minimum amount of one hundred thousand dollars ($100,000).

Section 3. KRS 42.012 is amended to read as follows:

The secretary shall be the chief financial officer of the state and the adviser of the governor and the general assembly in financial matters, and shall at all times protect the financial interests of the state. He shall be responsible to the governor for the administration of the *cabinet* [~~department~~].

Section 4. KRS 42.013 is amended to read as follows:

(1) The office of the secretary of the *finance and administration cabinet* [~~department of finance~~] which is hereby created shall include a deputy secretary who shall be appointed by the secretary with the approval of the governor. The deputy secretary shall be responsible to and have such authority to sign for the secretary as the secretary designates in writing.

(2) There shall be a general counsel appointed pursuant to KRS 12.210 attached to the office of the secretary to provide legal services for the *cabinet* [~~department~~]. The attorney general on request of the secretary may designate the general counsel as an assistant attorney general pursuant to KRS 15.105.

(3) The secretary may employ and maintain, *subject to the provisions of KRS Chapter 18* [~~with the approval of the department of personnel~~], such other supporting staff as he deems necessary to execute the functions, duties, and responsibilities of the *cabinet* [~~department~~]. *The secretary may organize the office into such additional administrative units as he deems necessary to perform the functions and fulfill the duties of the cabinet.*

(4) All appointments under this chapter to positions not in the classified service shall be made pursuant to KRS 12.050 and such appointees shall be major assistants to the secretary and shall assist in the development of policy.

SECTION 5. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is established a department of state government to be known as the department of information systems. The department shall be a part of the finance and administration cabinet. The department of information systems shall be headed by a commissioner, appointed by the secretary of the finance and administration cabinet, with the approval of the governor. The commissioner shall be responsible to the secretary.

(2) The secretary of the finance and administration cabinet shall appoint, with the approval of the governor, a deputy commissioner of the department of information systems, pursuant to KRS 12.050. The commissioner of information systems, with the approval of the secretary of the finance and administration cabinet, may appoint such principal assistants, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as may be necessary to execute the functions and duties of the department.

SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The department of information systems shall include the following divisions, each of which shall be headed by a director appointed by the secretary with the approval of the governor, pursuant to KRS 12.050:

(a) The division of operations, which shall be responsible for computer operations, including the data center, remote batch entry, data control, on line support, and maintenance of the computer operations facility.

(b) The division of systems support, which shall be responsible for all computer hardware operations, research, development, programming, evaluation, and security systems.

(c) The division of special projects, which shall be responsible for ensuring dependable development and implementation of high priority data processing projects.

(d) The division of data management, which shall be responsible for data base administration, information retrieval and access for all state agencies and all types of software support for internal department development activities.

(e) The division of systems engineering, which shall be responsible for providing development and maintenance of all state agency application systems.

(f) The division of systems planning and administration, which shall be responsible for systems planning and fiscal administration.

(g) The division for statewide financial systems, which shall be responsible for the development and implementation of the uniform and integrated system of accounts and the uniform personnel payroll system, including technical support.

(2) There is established within the division for statewide financial systems an accounting principles task force, which shall study and evaluate the Commonwealth's accounting system and develop recommendations and proposals for modifications and changes necessary to be installed in a unified and integrated system of accounts for state government, complying with generally accepted principles as provided in KRS 45.300.

Section 7. KRS 42.014 is amended to read as follows:

(1) There is established within the *cabinet* [~~department~~] the office for policy and management *which shall be headed by a deputy secretary, the department for administration which shall be headed by a commissioner, and the department for facilities management which shall be headed by a commissioner, each of whom shall be responsible to the secretary and appointed by the secretary upon the approval of the governor. Each of these offices may have at least one major assistant not in the classified service* [~~and the office of air transport, each of which shall be headed by an executive director responsible to the secretary and appointed by the secretary upon approval of the governor. The executive director of the office for policy and management shall have the rank and style of deputy secretary of the department, which position shall be in addition to the position of deputy secretary authorized by KRS 42.013~~].

(2) *There shall be a division of management services which division is hereby established in the office of the secretary. The division of management services shall be headed by a director appointed by the secretary pursuant to the provisions of KRS 12.050. The division and its director shall have such duties and responsibilities as assigned by the secretary and shall be responsible to and report to the secretary* [~~There is established within the department a bureau of administrative services, a bureau of computer services, a bureau of facilities management and a bureau of public properties, each of which shall be headed by a commissioner responsible to the secretary and appointed by the secretary upon approval of the governor. Each of the bureaus shall have the duties and responsibilities assigned to it by the secretary~~].

(3) The secretary shall establish the internal organization and assignment of functions which are not established by statute, and shall divide the *cabinet* [~~department~~] into such offices, bureaus, divisions or other units as the secretary may deem necessary to perform the functions, powers and duties of the department, subject to the provisions of KRS chapter 12.

Section 8. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) *Financial disclosure review commission* [~~State planning committee~~];
(2) [~~Kentucky health and geriatric authority;~~
~~(3) Turnpike authority of Kentucky;~~
~~(4)~~] State property and buildings commission;
[~~(5) Kentucky housing corporation;~~]
(3)[~~(6)~~] Kentucky pollution abatement authority;
(4)[~~(7)~~] Capital plaza authority;
(5)[~~(8)~~] Kentucky savings bond authority;
(6)[~~(9)~~] County officials compensation board;
(7)[~~(10)~~] Kentucky public employes deferred compensation board[~~;~~
~~(11) Governor's design advisory council~~].

Section 9. KRS 42.022 is amended to read as follows:

The deputy secretary of the finance and administration cabinet for the office for policy and management shall also serve as state budget director, and, subject to the direction of the secretary of finance, shall have such dities, rights and responsibilities relating thereto as necessary, including but not limited to the following [~~The office for policy and management established in the department of finance by KRS 42.014 shall have and perform functions and duties as follows~~]:

(1) Assist with the staff planning functions of the state planning committee. The deputy secretary [~~of the department of finance~~] for the office for policy and management shall serve as secretary of the state planning committee.

(2) [~~Statewide clearinghouse functions and statewide plan review and coordination as provided by Memorandum A-95 of the United States office of management and budget; program plan review and analysis; executive policy implementation and compliance; and, capital outlay planning.~~

~~(3)~~] Functions vested in the [~~department of~~] finance *and administration cabinet* relative to the preparation, administration, and evaluation of the executive budget as provided in KRS Chapter 45 and in other laws, including but not limited to, capital construction budgeting, evaluation of state programs, program monitoring, financial and policy analysis and issue review, *and executive policy implementation and compliance.*

(3)[~~(4)~~] Continuous evaluation of statewide management and administrative procedures and practices, including but not limited to, organizational analysis and review, economic forecasting, technical assistance to state agencies, forms control, and special analytic studies as directed by the secretary or the governor.

[~~(5) Except as otherwise provided by law, the coordination of federal-state relations, including but not limited to, coordinating the flow of information between the federal and state governments; federal revenue sharing monitoring within this state; federal legislation review; coordination and oversight of federal aid programs; and federal-state relations policy.~~]

Section 10. KRS 42.023 is amended to read as follows:

(1) The department of administration of the cabinet established by KRS 42.014 shall be generally responsible for such functions and duties as the secretary may assign relating, but not limited to state

accounting, accounts control, fiscal reporting, development and coordination of fiscal processes, preauditing of expenditures, supervision of purchasing and store keeping, control of stores, control of personal property and disposition of surplus personal property, printing and reproductions, state forms, postal services, technical assistance and advice to state agencies, and accounting, technical and economic assistance to local governments.

(2) There shall be established in the department of administration a division of accounts, a division of purchases, a division of printing, a division of occupations and professions, and a division of county and municipal accounting, each of which shall be headed by a director appointed by the commissioner, subject to the approval of the governor, and who shall be responsible to the commissioner. There may be, if needed, sections assigned to specific areas of work, responsible directly to the commissioner for administration. [~~The office of air transport established in the department of finance by KRS 42.014 shall be responsible for the management, administration and operational control of the Capital City Airport and of all air-related real properties and appurtenances thereto located at the Capital City Airport not under the exclusive control of another state agency, and shall provide for and oversee the maintenance and care of all state-owned aircraft and control the scheduling and operational use thereof by all state agencies, and attend to the collection from using agencies and officers of the cost of operating said aircraft. Subject to the approval of the secretary as to the reasonableness thereof, the office for air transport shall establish, in accordance with applicable federal and state rules and regulations, fees to be paid by users of the services and facilities of the Capital City Airport. The office of air transport shall be divided for administrative purposes into a division of airport operations and a division of flight operations, each of which shall be headed by a director appointed by the secretary with the approval of the governor.~~]

Section 11. KRS 42.024 is amended to read as follows:

(1) [~~There is hereby recognized as established in the bureau of administrative services, department of finance, a division of accounts and a division of purchases, each of which shall be headed by a director responsible to the commissioner of the bureau of administrative services and appointed by the secretary, subject to the approval of the governor.~~] The division of accounts shall perform such financial record keeping functions as the secretary directs and shall in general be responsible for and perform the functions of the *cabinet* [~~department~~] as outlined in KRS 45.300 and 45.320, *and other related statutes.*

(2) The division of purchases shall be responsible for the performance of the *cabinet's* [~~department's~~] purchasing functions under KRS *Chapters 45 and 45A* [~~45.360 through 45.510~~], except those purchasing functions related to the acquisition of interests in real property, and contractual and construction services which are related to and required in connection with the construction, renovation and repair of state-owned buildings. *The division of purchases shall be responsible for the control of all state-purchased personal property and for the disposition of all state-purchased personal property declared surplus.*

Section 12. KRS 42.025 is amended to read as follows:

(1) The division of printing *shall be responsible for the printing and duplicating needs of state agencies, as provided by KRS Chapters 45A and 57* [~~and duplicating services is established in the bureau of administrative services, department of finance. The division shall be headed by a director who shall be appointed by the secretary subject to the approval of the governor and who shall be responsible to and report to the commissioner of the bureau~~]. The division shall include printing consultants to advise and assist state agencies in advance planning on an annual basis of their printing needs and a forms control unit to review the requirements of state agencies for various kinds of forms and to advise and assist state agencies in forms control, development and revisions.

(2) *The division of county and municipal accounting shall be responsible for assisting both county and municipal governments in their financial administration and for providing state revenue sharing funds to these local governments. The division's responsibilities shall include but not be limited to the state local finance office (KRS 42.170), county fee systems, municipal technical assistance (KRS 91A.050), the local government economic assistance fund (KRS 42.450) and the county and municipal road aid fund (KRS 177.369 and 179.410)* [~~The division of printing and duplicating services shall provide for and supply the printing and duplicating needs of state agencies located or having their central offices in the Frankfort-Franklin County area. The provisions of KRS 57.021 notwithstanding, no program cabinet, department, agency, office or constitutional officer of the state, except the legislative research commission and the attorney general, having offices at the seat of government or required to have their offices at the seat of government, shall operate a printing or duplicating plant~~].

Section 13. KRS 42.027 is amended to read as follows:

The *department for* [~~bureau of~~] facilities management established in the [~~department of~~] finance *and administration cabinet* by KRS 42.014 shall be generally responsible for performance of the *cabinet's* [~~department's~~] functions and duties as outlined in KRS Chapters 45, *45A* and 56 with relation to the management and administration of the state capital construction program, including without limitation to the generality thereof, the procurement of necessary consulting services related to capital construction and building renovation projects, construction services, and supervision of building construction projects, and for the maintenance and operation of the state government's telecommunications systems, *real property management functions and physical plant management functions.* [~~The bureau shall include a deputy commissioner who shall be appointed by the secretary, subject to the approval of the governor, who shall be responsible to the commissioner of the bureau and shall perform such duties under the commissioner's supervision as may be assigned or delegated by the commissioner.~~] The *department* [~~bureau~~] shall be divided for administrative and operational purposes into a division of engineering, a division of contracting and *administration* [~~procurement~~], [~~and~~] a division of telecommunications, *a division of physical plant, and a division of real property,* each of which shall be headed by a director appointed by the secretary, subject to the approval of the governor and responsible to the commissioner [~~of the bureau~~]. The commissioner [~~of the bureau~~] shall provide for the distribution of the *department's* [~~bureau's~~] work among the divisions within the *department* [~~bureau~~].

Section 14. KRS 42.030 is amended to read as follows:

(1) The [~~department of~~] finance *and administration cabinet* shall have and exercise all administrative functions of the state, except as otherwise provided by law, in relation to:

(a) Developing financial policies and plans for consideration by the governor as the basis for his budget and recommendations to the general assembly, and preparing the detailed documents in accordance with the financial plans of the governor for presentation to the general assembly.

(b) Coordinating and supervising the fiscal affairs and fiscal procedures of the state to insure the carrying out of the definite financial policies and plans approved by the general assembly.

(c) Accounting, including budgetary accounting and accounting control.

(d) Fiscal reporting.

(e) Supervision of preauditing of expenditures and current auditing of receipts and receivables.

(f) Supervision of purchasing and storekeeping and control of property and stores.

(g) Supervision of all receivables of the state.

(h) Maintaining and operating public buildings, except those provided for the exclusive use of any one (1) *governmental* agency.

(i) Auditing the accounts of the treasurer and the auditor of public accounts, as contemplated by section 53 of the constitution.

(j) Coordination and supervision of *accounting and budgeting of* [~~data processing, computers, and~~] government information systems.

(k) Accounting, technical and economic assistance to local governments.

(2) The [~~department of~~] finance *and administration cabinet* shall be primarily responsible for maintaining management control over the activities of the several budget units. To perform this function, the *cabinet* [~~department of finance~~] shall:

(a) Keep in continuous touch with the operations, plans and needs of the several state agencies, and with the sources and amounts of revenue and other receipts of the state.

(b) Appraise the quantity and quality of services rendered by each agency, and the needs for such services and for any new services.

(c) Examine and recommend work programs and periodical allotments to the several state agencies, and changes therein.

(d) Develop plans for improvements and economies in organization and operation of the several state agencies, and install such plans as are approved by the respective heads of the agencies or as directed by the governor or the general assembly.

(e) Devise and prescribe the forms of operations reports to be required periodically from each agency and require the agencies to make such reports.

(f) Examine and approve all statements and reports on the financial condition, estimated future financial condition and operation of the state government and its agencies, before any such reports are released to the governor, to the general assembly, or for publication.

(g) Receive and deal with all requests for information as to financial conditions and operations of the state.

(h) Prepare such unit costs and cost statistics as are required from time to time.

(i) Advise and assist the governor, the general assembly and the appropriation committees of the general assembly, on request, in any matters relating to the functions of the *cabinet* [~~department of finance~~].

(j) Keep a summary of the financial transactions of all state agencies.

(3) The functions conferred upon the *cabinet* [~~department of finance~~] by this section shall be in lieu of similar functions formerly exercised by other state agencies.

Section 15. KRS 42.066 is amended to read as follows:

(1) The *division of occupations and professions shall* [~~function of the division is to~~] provide administrative services, technical assistance and advice to the following boards and commissions at the request of the individual boards or commissions, all of which maintain their identity and their full authority for making

policy decisions in the fields that they regulate: The state board of accountancy, Kentucky athletic commission, the state board of examiners and registration of architects, the Kentucky board of barbering, the Kentucky board of hairdressers and cosmetologists, the state board of podiatry, the Kentucky state board of chiropractic examiners, the Kentucky board of dentistry, the state board of embalmers and funeral directors, the state board of registration for professional engineers and land surveyors, the board of nursing education and nurse registration, the Kentucky board of ophthalmic dispensers, the Kentucky board of optometric examiners, the Kentucky board of pharmacy, the state board of physical therapy, the board of examiners of psychologists, the state real estate commission, the Kentucky board of veterinary examiners, the Kentucky board of examiners in watchmaking, the state board of auctioneers, the state board for proprietary education, the state board of examiners and registration of landscape architects, the state board of medical licensure, the state board of examiners of speech pathology and audiology, the Kentucky board of licensure for nursing home administrators, the Kentucky board for licensing hearing aid dealers, the state board of examiners of social work of Kentucky, and such other boards and commissions as are created to license, certify, register or otherwise regulate any occupational or professional category.

(2) To the extent that the division does provide administrative services, the respective boards and commissions are relieved of the power and duty to provide the services for themselves. The division shall charge each board or commission a reasonable amount for administrative services provided pursuant to subsection (1) of this section. The division may employ persons previously employed by boards or commissions.

(3) The division may receive complaints against the conduct of licensees granted licensure by the boards and commissions assigned to the division for administrative purposes. The division shall cause such complaints to be reduced to writing and forwarded to the appropriate board or commission for investigation and a determination of the validity of the complaint. The division shall keep a record of all complaints received by it and forwarded to a board or commission.

Section 16. KRS 42.170 is amended to read as follows:

All of the functions of the state local finance officer provided in KRS chapters 66, 68, 103 and 131 relating to the issuance of bonds and control of funds of counties, cities and other local units and county financial administration shall be exercised by the *finance and administration cabinet* [~~department for local government~~].

Section 17. KRS 42.455 is amended to read as follows:

(1) There is established within the *finance and administration cabinet* [~~department of local government~~] a local government economic assistance program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all monies in the fund shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the fund shall be spent on priority categories limited to the following:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewer disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) Financial administration and governmental management programs;

(i) Industrial and economic development; and

(j) Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The [~~department of~~] finance *and administration cabinet* shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by KRS 42.455.

(6) The *finance and administration cabinet* [~~department for local government~~] shall assure that public hearings equivalent to those required for the expenditure of federal general revenue sharing funds are held on the expenditure of funds received under KRS 42.450 to 42.495. The *cabinet* [~~department of local government~~] shall also submit an annual report to the governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the department of transportation shall publish and furnish to the [~~department of~~] finance *and administration cabinet* a directory, including supporting maps and other documents, designating the official state coal road system in coal impact and coal producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal impact and coal producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the department can accurately calculate total ton/miles within each coal impact and coal producing county.

(9) The department of revenue shall make available to the department of transportation coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 18. KRS 42.460 is amended to read as follows:

Any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report will include a certification that said funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the *finance and administration cabinet* [~~department of local government~~] within eighteen (18) months after the end of the fiscal year.

Section 19. KRS 45.770 is amended to read as follows:

(1) There is created within the state treasury a capital construction and equipment purchase contingency fund. The fund shall consist of monies appropriated to the fund by the general assembly and income derived from the investment of monies appropriated to the fund. The fund shall also include income derived from the investment of funds appropriated by the general assembly for capital construction projects or the purchase of major items of equipment prior to the time such funds are allotted for expenditure on the project or item.

(2) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a capital construction project, authorized by the general assembly under KRS 45.760, subject to the following conditions and procedures:

(a) Except as provided in paragraph (d) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized project shall not exceed an amount equal to twenty-five percent (25%) of the estimated cost of the project, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) The [~~department of~~] finance *and administration cabinet* may transfer an amount equal to fifteen percent (15%) or less of the estimated cost of an authorized project from the fund to the allotment account of the project provided that the *cabinet* [~~department~~] reports the transfer to the capital construction and equipment purchase oversight committee within thirty (30) days after making the transfer. The report shall include documentation of the amount, necessity and purpose of the transfer, the amount already expended on the project prior to and during the current biennium, and any alterations made or planned in the project since its consideration by the general assembly during the most recent regular session.

(c) The [~~department of~~] finance *and administration cabinet* may transfer, from the fund to the allotment account of an authorized project, an amount equal to more than fifteen percent (15%) but not more than twenty-five percent (25%) of the estimated cost of the project, subject to paragraph (e) of this subsection.

(d) In the event that the cost of an authorized project exceeds, by more than twenty-five percent (25%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of twenty-five percent (25%) of the estimated cost of the project may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the project, subject to paragraph (e) of this subsection.

(e) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under paragraph (c) or (d) of this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (d) of this subsection shall include written certification to the committee from the commissioner of the *department for* [~~bureau of~~] facilities management, [~~department of~~] finance *and administration cabinet*, that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

(3) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a major item of equipment, authorized by the general assembly under KRS 45.760, for expenditure on that item subject to the following conditions and procedures:

(a) Except as provided in paragraph (b) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized major item of equipment shall not exceed an amount equal to ten percent (10%) of the estimated cost of the item, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) In the event that the cost of an authorized major item of equipment exceeds, by more than ten percent (10%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of ten percent (10%) of the estimated cost may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the item.

(c) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the secretary of the [~~department of~~] finance *and administration cabinet* that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

Section 20. KRS 45A.305 is amended to read as follows:

(1) Any public purchasing unit is authorized, within its discretion, upon written request from another public purchasing unit or foreign purchasing activity, to provide personnel to the requesting public purchasing unit or foreign purchasing activity. Payment to the public purchasing unit providing the personnel, by the public purchasing unit or foreign purchasing activity making the request, of direct and indirect costs of furnishing the personnel, and the terms relating thereto shall be agreed upon by the parties involved.

(2) The informational, technical, and other services of any public purchasing unit may be made available to any other public purchasing unit or foreign purchasing activity provided that the requirements of the public purchasing unit tendering the services shall have precedence over the requesting public purchasing unit or foreign purchasing activity. Additionally, and subject to agreement between the parties, the requesting public purchasing unit or foreign purchasing activity shall pay all of the expenses of the services so provided.

(3) This Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], upon request may make available to all public purchasing units the following services, among others:

(a) Standard forms;
(b) Printed manuals;
(c) Product specifications and standards;
(d) Quality assurance testing services and methods;
(e) Qualified products lists;
(f) Source information;
(g) Common use commodities listings;
(h) Supplier prequalification information;
(i) Supplier performance ratings;
(j) Debarred and suspended bidders list;
(k) Forms for invitations for bids, requests for proposals, instructions to bidders, general contract provisions, and other contract forms; and
(l) Contracts or published summaries thereof, including price and time of delivery information.

(4) The Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], may provide the following technical services, among others:

(a) Development of products specifications;
(b) Development of quality assurance test methods, including receiving, inspection, and acceptance procedures;
(c) Use of state product testing and inspection facilities; and
(d) Use of state personnel training programs.

(5) The *finance and administration cabinet* [~~department of local government~~] may publish a schedule of fees for the services provided under subsections (3) and (4) of this section.

Section 21. KRS 56.802 is amended to read as follows:

(1) Whenever an agency determines that it will need office or other space it shall submit a request for the acquisition of such additional space to the *department for facilities management* [~~bureau of public~~

~~properties~~] in the [~~department of~~] finance *and administration cabinet*. If the *department for facilities management* [~~bureau of public properties~~] determines that insufficient space has been allocated to the agency making the request, it may then acquire the space required by lease as provided by KRS 56.800 to 56.820.

(2) The *department for facilities management* [~~bureau of public properties~~] shall review each agency space request to determine whether space suitable to meet the agency's reasonable needs may be available in a state-owned or occupied building. If it is determined that there is no suitable space available in a state-owned or occupied building, the *department* [~~bureau~~] shall, except as provided in KRS 56.804, cause an advertisement to be placed in a newspaper having general circulation in each county where space is sought, soliciting negotiations of a lease to the Commonwealth of space meeting the agency's general requirements. The advertisement shall be published two (2) times during any seven (7) day period in daily newspapers and one (1) time in weekly newspapers. Whenever an advertisement for space is made in a weekly newspaper, it shall also be made in a newspaper of daily publication in the county of closest geographic proximity to the county in which the space is sought and for which advertisement has been made in a weekly newspaper. All leases of space in Franklin County, and all leases in any county for which the annual rental charge is estimated to exceed one hundred thousand dollars ($100,000), shall be published in at least two (2) newspapers having broad circulation within the state, to be designated by the secretary of the *finance and administration cabinet* [~~department~~], in addition to a newspaper published and of general circulation in the county in which the space is sought. The advertisement shall contain such general information concerning the agency requirements for the space sought as will reasonably inform persons having property to let within the county of the type of space wanted, the general location of the property, and the number of square feet needed, and shall state the last time, date and place that responses will be received. Responses may be made by any person in writing on or before the time and date designated and need only designate the type and location of the property, the name and address of the property owner and the date of the availability of the property for lease.

(3) Following the expiration of the time specified for the submission of proposals, the space proposed to be leased to the state by each person submitting a proposal will be inspected to determine its suitability to the reasonable needs of the agency for whose use the property is sought. The owner or other person submitting the proposal shall provide access to the property for such inspection. A report of the findings about each property inspected shall be submitted to the commissioner of the *department for facilities management* [~~bureau of public properties~~] who shall, after consultation with the head of the agency for whose use the space is sought, determine the best proposal received in the interest of the state. The commissioner shall, in making his determination, take into account factors including but not limited to: the location and accessibility of the property to the public; its condition and state of repair; its conformity with the requirements of occupational health and safety regulations; the proposed rental rates; and the general conformity of the property proposed to the advertised space requirements. The lease of the space shall be awarded in the discretion of the commissioner [~~of the bureau~~] to the person whose proposal most closely conforms to the general requirements of the advertisement for the space and meets applicable state fire, health, safety and sanitation requirements and the requesting agency's reasonable space requirements.

(4) Recognizing the improbability that any two (2) properties proposed to be leased to the state under this section will be identical and that reasonable men might differ in determining the best proposal received for the lease of property to the state, it is the general assembly's intention in this section to confer upon and delegate to the commissioner of the *department for facilities management* [~~bureau of public properties~~] through the *finance and administration cabinet* [~~department~~], the broadest possible power and authority to make such determinations. Judicial review of the action of the *cabinet* [~~department~~] and the commissioner [~~of the bureau~~] in the award of leases under this section shall be limited to determining whether the award of a lease by the state was procured by fraud. Any person who by judicial process unsuccessfully challenges the award of any lease of space by the state under this section shall be liable to the state for its costs in the action, including reasonable attorneys' fees.

Section 22. KRS 56.816 is amended to read as follows:

(1) Whenever the *department for facilities management* [~~bureau of public properties~~] in the [~~department of~~] finance *and administration cabinet* has reason to believe that there is no office or other space available to let that will be suitable to meet the space needs of one or more state agencies seeking the lease of space in a community where space is sought, and a determination has been made by the secretary of the [~~department of~~] finance *and administration cabinet*, with the approval of the governor, that the construction of a building by the Commonwealth to meet such need is not economically or otherwise feasible, the *department* [~~bureau~~] may advertise for written proposals for the construction of a building meeting the agency or agencies' space requirements and to be leased to the Commonwealth under a built-to-suit lease as authorized by this section.

(2) Advertisements for all built-to-suit leases shall be published in a newspaper of general circulation in the county where the space is sought and on a state-wide basis as provided by KRS 424.180. Advertisements for proposals for all built-to-suit leases shall be made ninety (90), sixty (60), and thirty (30) days in advance of the date fixed for receiving and opening the proposals.

(3) The *department* [~~bureau~~] shall develop, in consultation with the agency or agencies for whose use the space is sought[~~, and with the assistance of the bureau of facilities management,~~] general requirement specifications for the structure, which shall be set forth in outline form in the advertisement for proposals; the advertisement shall state that more detailed information about the space requirements and forms for submitting proposals may be obtained from the *department for facilities management* [~~bureau of public properties~~] and the time, date and place that proposals will be received.

(4) Each proposal submitted for built-to-suit leases shall contain information about the proposed site for the building, an estimate of the cost of the building, information about the proposed plan or method of financing the construction of the building, and schematic drawings of the proposed building. All buildings constructed and leased to the Commonwealth under built-to-suit lease agreements shall be constructed in accordance with all applicable state and national safety, building and construction code requirements and the preliminary and final building construction plans shall be reviewed and approved by the *department for* [~~bureau of~~] facilities management.

(5) At the time, date and place fixed in the advertisement, all written proposals for built-to-suit leases received shall be opened and publicly read. The commissioner of the *department* [~~bureau~~], after consultation with the head or heads of the agency or agencies for whose use the space is sought, [~~and with the advice and assistance of the bureau of facilities management,~~] shall award the built-to-suit lease to the individual or firm whose proposal, in the judgment and discretion of the commissioner, most closely conforms to advertised general requirement specifications.

Section 23. KRS 56.818 is amended to read as follows:

(1) The term of all built-to-suit lease agreements entered into by the Commonwealth under KRS 56.816 shall conform to the requirements of all applicable statutory and constitutional provisions as construed by the Kentucky Supreme Court.

(2) When necessary to enable an individual or firm to whom a built-to-suit lease agreement has been awarded to obtain either short or long term financing for the erection of the building to be constructed under such lease, or desirable in the best interests of the Commonwealth, the Commonwealth may be granted and may accept as a part of said lease an option to purchase the leased buildings, land and any appurtenant facilities. The option price to be paid for any such property shall not exceed its fair market value as of the time the option is exercised as determined by a competent and qualified real estate appraiser, selected by mutual agreement of the parties, employing the reproduction cost new or other accepted appraisal techniques; provided, however, that in no event shall the option price be less than a sum equal to the remaining balance of any mortgage lien encumbering the property and securing the repayment of monies advanced to the owner for the original construction of the building, plus an amount not to exceed ten percent of such mortgage balance.

(3) All built-to-suit lease agreements shall be executed for the Commonwealth by the secretary of the [~~department of~~] finance *and administration cabinet* on recommendation by the commissioner of the *department for facilities management* [~~bureau for public properties~~], approved for form and legality by the attorney general or an assistant attorney general, and approved by the governor, before they shall be binding against the Commonwealth. All such leases shall be lodged for record and recorded in the office of the county clerk of the county in which the leased property is located.

Section 24. KRS 58.215 is amended to read as follows:

(1) The capital plaza authority shall be composed of *six (6)* [~~five (5)~~] members. The governor, secretary of the [~~department of~~] finance *and administration cabinet*, [~~and~~] attorney general *and the secretary of development* shall be the *four (4)* [~~three (3)~~] state members. The mayor shall appoint the city member. The county judge/executive shall appoint the county member. Both the city member and the county member shall serve for a four (4) year term. These *six (6)* [~~five (5)~~] persons are a body corporate constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of the "Capital Plaza Authority," with perpetual succession and with power in that name to contract and be contracted with, to convey property, to sue and be sued, to have and use a corporate seal, and to exercise, in addition to the powers and functions specifically stated in KRS 58.210 to 58.315, all of the usual powers of private corporations not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services, but are entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as members.

(3) *Four (4)* [~~Three (3)~~] members of the authority shall constitute a quorum for the transaction of business. The governor shall be the chairman of the authority and the secretary of the [~~department of~~] finance *and administration cabinet* shall be the vice-chairman. The authority shall elect a secretary and a treasurer who shall serve at the pleasure of the authority and receive such compensation as may be determined by the authority. The treasurer shall give bond to the authority for a faithful accounting for all funds coming into his custody, in such amount as the authority may prescribe, drawn upon a surety company qualified

to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office and the secretary of the authority shall maintain therein complete records of the authority's actions and proceedings, as public records open to inspection.

Section 25. KRS 61.420 is amended to read as follows:

For the purpose of KRS 61.410 to 61.500:

(1) "Wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of federal insurance contributions act, would not constitute "wages" within the meaning of that act;

(2) "Employment" means any service performed by an employe in the employ of the Commonwealth, a political subdivision, or an interstate instrumentality, for such employers, except (a) service of an emergency nature, (b) service which in the absence of an agreement entered into under KRS 61.410 to 61.500 would constitute "employment" as defined in the social security act, or (c) service which under the social security act may not be included in any agreement between the Commonwealth and the secretary entered into under KRS 61.410 to 61.500; provided, however, that service, the compensation for which is on a fee basis, may be excluded in any plan approved under KRS 61.410 to 61.500, and provided also, that service in any class or classes of positions, the exclusion of which is permitted under the social security act, may be excluded in any plan approved under KRS 61.460;

(3) "Employe" means any person in the service of the Commonwealth, a political subdivision or an interstate instrumentality of which the Commonwealth is a principal and shall include all persons designated officers including those which are elected and those which are appointed;

(4) "State agency" means the *state office for social security, which agency shall be subject to the authority of the secretary of finance and administration* [~~department for human resources~~];

(5) "Political subdivision," in addition to counties, municipal corporations and school districts, includes instrumentalities of the Commonwealth, of one or more of its political subdivisions or of the Commonwealth and one or more of its political subdivisions, and any other governmental unit thereof;

(6) "Social security act" means the act of congress approved August 14, 1935, chapter 531, 49 Stat. 620, officially cited as the "social security act," including regulations and requirements issued pursuant thereto, as such act has been and may from time to time be amended;

(7) "Federal insurance contributions act" means subchapter A of chapter 9 of the federal internal revenue code and all amendments thereto;

(8) "Secretary" means the secretary of health, education and welfare and includes any individual to whom the secretary may delegate any of his functions under the social security act; and, with respect to any transactions regarding insurance coverage occurring prior to April 11, 1953, includes the federal security administrator and any individual to whom he may have delegated any of his functions under the social security act;

(9) "Insurance coverage" means coverage by the old-age, survivors and disability insurance provisions of the social security act;

(10) "Sick leave with pay" means any payment made in lieu of salary on account of sickness or accident disability.

Section 26. KRS 61.460 is amended to read as follows:

(1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending insurance coverage to employes of such political subdivision; provided, however, that no such plan shall provide insurance coverage to an employe occupying a position to which KRS 161.220 to 161.710 are applicable except for employes of the state colleges and public junior colleges. Each such plan and any amendments thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(a) It is in conformity with the requirements of the social security act and with the agreement entered into under KRS 61.430;

(b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employes thereof, shall be covered by the plan;

(c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) of this section are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(d) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof;

(e) It provides that the political subdivision will make such reports, in such form and containing such information, as the state agency may from time to time require, and will comply with such provisions as the state agency or the secretary may from time to time find necessary to assure the correctness and verification of such reports; and

(f) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency and as may be consistent with the provisions of the social security act.

(2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1) of this section, and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

(3) (a) Each political subdivision for which a plan has been approved under this section is authorized to and shall pay into the contribution fund, with respect to wages, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430; and, furthermore, in anticipation of the due date of any payments of contributions required herein, is authorized to and shall make such advancements as the state agency, by regulation or contract, may require.

(b) Each political subdivision is authorized to and shall make such payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employes covered under any plan approved under subsection (1) of this section, but in no event shall such amount be greater than five percent (5%) of the contributions required under paragraph (a) of this subsection. Such payments shall be made into the state treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated herein.

(c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employe's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution with respect to wages received for each calendar year, at the rate established by the federal insurance contributions act, as amended, and the social security act, as amended. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision under paragraph (a) of this subsection. Failure to deduct such contribution shall not relieve the employer of liability therefor.

(4) Delinquent payments due under paragraph (a) of subsection (3) of this section, with interest at the rate *prescribed by Section 218 (j) of the Social Security Act* [~~of six percent (6%) per year~~], may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such subdivision by any department or agency of the state.

(5) Each political subdivision may exclude sick leave with pay from wages if such payments are made under a plan or system approved by the state agency for social security. Any such plan or system shall conform to the social security act and to any regulations promulgated thereunder.

Section 27. KRS 61.470 is amended to read as follows:

(1) There is hereby established a special fund to be known as the contribution fund. Such fund shall consist of and there shall be deposited therein:

(a) All contributions, interest, and penalties under KRS 61.450 and 61.460;

(b) All moneys appropriated or otherwise contributed thereto;

(c) Any property or securities and earnings thereof acquired through the use of moneys belonging to the fund;

(d) Interest earned upon any moneys in the fund, and

(e) All sums recovered from the bond of the custodian or otherwise for losses sustained by the fund, and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of KRS 61.410 to 61.500, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of KRS 61.410 to 61.500.

(2) The contribution fund shall be a trust and agency fund which shall not lapse and shall be held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purposes of KRS 61.410 to 61.500. Withdrawals from such fund shall be made for, and solely for:

(a) Payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under KRS 61.430;

(b) Payment of refunds provided for in subsection (3) of KRS 61.450;

(c) Refunds of overpayments, not otherwise adjustable, made by a political subdivision; and

(d) For payment of administrative costs for the administration of KRS 61.410 to 61.500 to the extent of the interest earned on investments of the contribution fund.

(3) From the contribution fund the custodian of the fund shall pay to the secretary of the treasury such amounts at such time or times as may be directed by the state agency in accordance with any agreement entered into under KRS 61.430.

(4) *At the end of each fiscal year, the state agency shall make an estimate of the necessary operating costs of the state agency for the next fiscal year, including a contingent liability fund. After approval of this amount needed for necessary costs and contingent liability fund by the secretary of finance and administration, the realized investment earnings of the contribution fund available at the end of any fiscal year shall be reduced to this approved amount, and any excess is hereby authorized for transfer to the credit of the general fund.*

(5) The treasurer of the state shall be ex-officio treasurer and custodian of the contribution fund and shall administer such fund in accordance with the provisions of KRS 61.410 to 61.500 and the directions of the state agency, and shall pay all warrants drawn upon the fund in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

Section 28. KRS 64.810 is amended to read as follows:

(1) Any county clerk, county judge/executive, county attorney, sheriff, jailer, coroner, or constable shall have the right to employ a certified public accountant to audit the books, accounts, and papers of his office in lieu of the audit conducted by the state auditor of public accounts required by KRS 43.070.

(2) If said official elects to exercise the right prescribed in subsection (1), then he shall:

(a) Notify in writing within thirty (30) days following the period to be audited, the fiscal court of his county and the state auditor of the name of the certified public accountant employed by said official to audit the books, accounts, and papers of his office; the auditor shall acknowledge, in writing, receipt of such notification, and approval of the use of the designated independent certified public accountant cannot be withheld unless such certified public accountant fails to conform to standard audit programs established for governmental accounting and other generally accepted accounting procedures as set forth by the Kentucky board of accountancy;

(b) Bear the cost of the audit from funds received or collected by him, and the cost of the audit shall be construed as an expense of his office;

(c) Within a reasonable time after the certified public accountant's examination, submit the accountant's written report to the governor, the general assembly, the attorney general, the county officials' compensation board, the state librarian, the state auditor of public accounts, *the state local finance officer,* and the fiscal court and county attorney of his county. In addition, the official shall send the report to a newspaper having general circulation in the county of the official, and the letter of transmittal accompanying the report shall be published in said newspaper in accordance with the provisions of KRS chapter 424.

(3) This section shall not be construed as eliminating the requirement that the books, accounts, and papers of the above named officials be audited yearly. This section shall not preclude the state auditor from reviewing the reports of the certified public accountant. After preliminary review, should discrepancies be found, nothing in this section or in KRS 43.070(1)(b) shall be construed as precluding the auditor's office from making its own investigative report or audit to verify the findings of the independent certified public accountant's report. If such investigative audit be deemed necessary, the expenses to said county official, as directed by KRS 43.070(2), shall be construed as an allowable expense of that office.

Section 29. KRS 65.070 is amended to read as follows:

(1) At least once every twelve (12) months, a district shall:

(a) File with the county clerk of each county with territory in the district a certification showing the name of the district, a map or general description of its service area, the statutory authority under which it was created, and the names and addresses of the members of its governing body and chief executive officer;

(b) File a copy of the district budget, financial statement if prepared, and audit when performed, with the county judge/executive of each county with territory in the district;

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) The *finance and administration cabinet* [~~department for local government~~] shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

Section 30. KRS 66.045 is amended to read as follows:

(1) It is the intent of this section to facilitate, through state technical and advisory assistance, the marketing of local government bonds and other long-term obligations at the lowest possible net interest costs.

(2) (a) "Local government" means a county, city, and other special-purpose district, authority, or public corporation, except a school district, within the state, but which exercises less than statewide jurisdiction.

(b) "Governing body" means the board, commission, or other such body charged with exercising the legislative authority of a local government.

(c) "State local finance officer," as used in this chapter and other provisions of law, *means the secretary of the finance and administration cabinet or his agent designated in writing with the approval of the governor* [~~shall be the department for local government~~].

(d) "Chief financial officer" means the comptroller, treasurer, director of finance or other local government official charged with managing the fiscal affairs of a local government.

(e) "Bonds," as used anywhere in this chapter, means debt payable more than one (1) year after date of issue or incurrence, issued pursuant to the laws authorizing local government borrowing.

(3) Without first notifying the state local finance officer in writing, no bonds may be issued by or on behalf of any local government. The notification shall contain the maturity schedule, interest rate, date of issue, purpose, paying agent, and such other information as the state local finance officer may require to provide a complete file on local government debt.

(4) The state local finance officer may provide technical and advisory assistance regarding the issuance of long-term debt to those local governments whose governing bodies request such assistance. Such assistance shall include, but need not be limited to, (a) advice on the marketing of bonds by local governments, (b) conduct of training courses in debt management for local financial officers, and (c) promotion of the use by local governments of such tools for sound financial management as adequate systems of budgeting, accounting, auditing, and reporting.

Section 31. KRS 66.390 is amended to read as follows:

Ownership of obligations of Kentucky counties shall disqualify the *secretary of the finance and administration cabinet* [~~commissioner of the department for local government~~] or any of his appointees from serving in any capacity incident to the administration of KRS 66.280 to 66.380, or KRS 68.220, 68.250, 68.270, 68.280, 68.310 or 68.320.

Section 32. KRS 68.020 is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall disburse such money in such manner and for such purpose as may be authorized by appropriate authority of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor. All warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against anyone having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the *finance and administration cabinet* [~~department for local government~~].

(4) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty (30) days after the close of each fiscal year, he shall make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge/executive shall call a special term which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

Section 33. KRS 91A.040 is amended to read as follows:

(1) Each city shall, as soon as practicable and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant.

(2) The city shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include, but not be limited to, requirements that:

(a) The auditor be employed to examine the balance sheets of all governmental proprietary and fiduciary funds of the city;

(b) All audit information be prepared in accordance with generally accepted governmental auditing standards which includes such tests of the accounting records and such auditing procedures as considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(c) The auditor prepare a typewritten or printed report embodying financial statements and his opinion and statements relating thereto;

(d) The auditor express an overall opinion as to whether the statement of receipts and expenditures presents fairly the financial condition of the city or state the reasons why an overall opinion cannot be expressed;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting;

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the auditor of public accounts upon request of the city or the auditor of public accounts, and the auditor of public accounts shall have the right to review the certified public accountant's work papers upon request.

(3) Upon completion of an annual audit, the city shall forward two (2) copies of the audit report to the *finance and administration cabinet* [~~department for local government~~] for information purposes.

(4) Upon completion of an annual audit, the city shall publish a summary of the audit in accordance with KRS Chapter 424.

(5) A copy of an annual audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements.

Section 34. KRS 91A.050 is amended to read as follows:

The *finance and administration cabinet* [~~department for local government~~] shall make available to all cities assistance in meeting the requirements of KRS 91A.010 to 91A.060, including the preparation and dissemination of model systems for accounting and budgeting, and other technical materials.

Section 35. KRS 147.072 is amended to read as follows:

(1) There is established an office for program administration under and attached to the *finance and administration* cabinet [~~for development~~].

(2) The office shall be headed by *an executive* [~~a~~] director for program administration. The *executive* director may appoint and employ, with the concurrence of the secretary of the *finance and administration* [~~development~~] cabinet, such assistants and other personnel as the *executive* director deems necessary to carry out and perform the functions vested in the office for program administration.

(3) The office for program administration shall assist the secretary in carrying out his functions and duties pertaining to the overseeing of the cabinet and those agencies directly under the secretary. It shall assist in the coordination of activities of state government for their effective and efficient administration.

[~~(4) The office shall assist the secretary of the cabinet for development in the monitoring of programs as well as assist the secretary of the development cabinet in his role as vice chairman of the state planning committee.~~]

Section 36. KRS 147A.020 is amended to read as follows:

(1) The *finance and administration cabinet* [~~department for local government~~] shall exercise all administrative functions of the state as provided in the county debt act, KRS 66.280 to 66.390; as regards county and local government budgets as provided in KRS 68.210 to 68.360; and as to local government bonds as provided in KRS 66.045.

(2) The *finance and administration cabinet* [~~department for local government~~] shall have the following powers and duties:

(a) To require such reports from local governments as will enable it adequately to provide the technical and advisory assistance authorized by this section. The reports shall provide the necessary information for a complete file on local government debt, which shall be kept open for public inspection at the state local finance offices.

(b) To encourage, conduct, or participate in training courses in debt and general fiscal management and procedures and practices for the benefit of local officials, and in connection therewith, to cooperate with associations of public officials, business and professional organizations, university faculties, or other specialists.

(c) To conduct studies in debt management, including ways and means of appraising the terms of alternative bids.

(d) To request such assistance and information, which shall be provided by all departments, divisions, boards, bureaus, commissions, and other agencies of state government to enable the state local finance officer to carry out his duties under this section.

(e) At its discretion, to compile and publish annually a report. Such report may include detailed information on local government long-term debt issued and retired during the previous year and outstanding, and other available statistical data on local government finances.

(3) The *finance and administration cabinet* [~~department for local government~~] shall coordinate for the governor the state's responsibility for, and shall be responsible for liaison with the appropriate state and federal agencies with respect to the following programs:

(a) Housing and urban development act as amended;
(b) Demonstration cities and metropolitan development act as amended;
(c) Farmers home administration;
(d) Veterans administration act as amended, as it pertains to housing;
(e) General revenue sharing for local governments.

(4) The *finance and administration cabinet* [~~department for local government~~] shall provide technical assistance and information to units of local government, including but not limited to:

(a) Fiscal management;
(b) Personnel administration;
(c) Purchases and contracts;
(d) Ordinances and codes;
(e) Community development.

Section 37. KRS 335.050 is amended to read as follows:

(1) There is hereby created a state board of examiners of social work of Kentucky which shall consist of seven (7) members appointed by the governor. Two (2) members shall be, or be eligible to be, certified social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service, education or research in social work for at least five (5) years. Two (2) members shall be, or be eligible to be, social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service in social work for at least two (2) years. Two (2) members shall be, or be eligible to be, certified social workers licensed under the provisions of KRS 335.010 to 335.160 and 335.990 to engage in the independent practice of social work. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The social worker member shall be appointed from a list of names of qualified persons submitted by any interested parties The governor may request the submission of additional names.

(2) Members of the board shall be appointed for terms of four (4) years except appointments to fill vacancies caused by a reason other than the expiration of a member's term. Upon recommendation of the board, made after notice and hearing, the governor may remove any member of the board for incompetence, neglect of duty, or malfeasance in office.

(3) Any vacancy of a social worker member shall be filled term by the governor from a list as described in subsection (1) of this section.

(4) The board shall organize upon appointment and qualification of its members, and shall elect annually from its membership a chairman, vice chairman, and a secretary. The board shall meet in February and in August of each year, and as frequently as it deems necessary at such times and places as the board designates. The additional meetings may be held upon call of the chairman or upon the written request of three (3) members of the board. Four (4) members of the board shall constitute a quorum.

(5) The board shall be attached to the division of occupations and professions in the [~~executive department for~~] finance and administration *cabinet* pursuant to the provisions of KRS *42.066* [~~42.064~~].

Section 38. The following KRS sections are hereby repealed:

12.280	Spindletop Foundation.
42.015	Transfer of functions, powers and duties to department and secretary.
42.026	Bureau of computer services established — Organization — Duties.
42.028	Bureau of public properties established — Organization — Duties.
42.062	Definition for KRS 42.064 and 42.066.
42.064	Division of occupations and professions.
42.320	State clearinghouse functions for federal funds.
45.235	Social security appropriations not to lapse at end of first fiscal year of biennium.

Section 39. This Act conforms executive orders 80-457, 80-573, 80-592, 80-633, 80-725, 80-787, 81-112, 81-140, 81-287, 81-581 and 81-1028 in those aspects of those orders that pertain to the department of finance, the finance and administration cabinet, and their affiliated agencies.

Committee Substitute to **HB 657** is as follows:

HB 657, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 11.040 is amended to read as follows:

(1) The governor may appoint such persons as he deems necessary for the proper operation of his office to perform such duties as the governor may require of them. The persons so appointed shall hold office at the pleasure of the governor. None of the provisions of KRS 64.640 shall be applicable to persons appointed under this *subsection* [~~section~~].

(2) There is hereby created an agency of the state government to be known as the office of the secretary to the governor's executive cabinet. The office of the secretary to the governor's executive cabinet shall not be part of the office of the governor, but shall constitute a separate agency of state government. The secretary so appointed shall have such rights, duties and responsibilities as may be assigned by the governor.

(3) The position of secretary to the governor's executive cabinet shall be filled by appointment of the governor and shall serve a the pleasure of the governor. The secretary shall be responsible for implementing all policies of the governor, coordinating all activities of the governor's executive cabinet, and advising and consulting with the governor on all policy matters affecting the state.

(4) The office of the secretary to the governor's executive cabinet shall include such principal assistants, appointed by the secretary of the cabinet pursuant to KRS 12.050, as may be necessary to execute the functions of the office.

Section 2. KRS 11.065 is amended to read as follows:

(1) *The secretaries of the justice cabinet, the education and humanities cabinet, the natural resource and environmental protection cabinet, the transportation cabinet, the commerce cabinet, the public protection and regulation cabinet, the cabinet for human resources, the finance and administration cabinet, the energy and agriculture cabinet, the corrections cabinet, the secretary of the governor's executive cabinet* [~~The heads of the department of finance, department for human resources, department of justice, department for natural resources and environmental protection, department of transportation, cabinet for education and the arts, cabinet for development, department of energy, cabinet for public protection and regulation,~~] and the lieutenant governor shall constitute the governor's executive cabinet. There shall be a vice-chairman appointed by the governor who shall serve in an advisory capacity to the executive cabinet. The governor shall be the chairman and the secretary of the [~~department of~~] finance *and administration cabinet* shall be a second vice-chairman of the executive cabinet.

(2) The cabinet shall meet not less than once every two (2) months and at other times on call of the governor. The executive cabinet shall be a part of the office of the governor and shall not constitute a separate department or agency of the state. Members of the cabinet shall be the major assistants to the governor in the administration of the state government and shall assist the governor in the proper operation of his office and perform such other duties as the governor may require of them.

(3) The cabinet shall consider such matters involving policies and procedures as the governor or any member may place before it. The cabinet shall advise and consult with the governor on all matters affecting the welfare of the state.

Section 3. KRS 12.010 is amended to read as follows:

[~~(1)~~] In this chapter, *and throughout the Kentucky revised statutes where applicable and appropriate* unless the context requires otherwise:

(1)[~~(a)~~] "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by appropriate executive action as a "department", *such organization to be headed by a commissioner*;

(2)[~~(b)~~] "Division" means a major *subdivision* [~~branch~~] of a department established by statute or by administrative action, *such to be headed by a director*;

(3) "Branch" means a small grouping of logical work force personnel, such to be headed by a manager;

(4) "Section" means a smaller grouping within a branch, such to be headed by a supervisor;

(5) "Unit" means the smallest grouping of coordinated employes, such to be headed by a leader;

(6) "Office" means a staff support or administrative function and shall be a major subdivision of a program cabinet only, such to be headed by an executive director;

(7)[~~(c)~~] "Administrative body" includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form of organization in the executive branch of government, but does not include "department," "program cabinet," [~~or~~] "division," *"branch," "section," "unit" or "office"*;[~~,~~]

(8)[~~(2)~~] "Program cabinet" means a group of departments, or departments and commissions, or other administrative bodies, designated by statute or appropriate executive action as a "program cabinet".

Section 4. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. *Cabinet for general government* - Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.

(a) Secretary of state.
(b)[~~(a)~~] Board of elections.
4. Department of law.
(a) *Attorney general* [~~Consumers advisory council.~~
~~(b) Travel assistance board.~~]
5. Department of the treasury.
(a) Treasurer.
6. Department of agriculture.
(a) *Commissioner of agriculture* [~~State board of agriculture.~~
~~(b) Milk marketing and antimonopoly commission~~].
7. Department of education.
(a) Superintendent of public instruction.
[~~(b) State board for elementary and secondary education.~~
~~(c) The department for elementary and secondary education.~~
~~(d) State board for occupational education.~~
~~(e) The department for occupational education.~~
~~(f) State textbook commission.~~]
8. Auditor of public accounts.
9. Railroad commission.
II. *Program cabinets* [~~Cabinet departments~~] headed by appointed officers:
1. Justice cabinet:
(a) Department for public advocacy
(b) Department of state police
(c) Department of training
(d) Office of administration
2. Education and humanities cabinet:
(a) Department for the blind
(b) Department of education
(c) Department for libraries and archives
(d) Commission on human rights
(e) Kentucky commission on women
(f) State advisory council for vocational education
(g) Kentucky industries for the blind
(h) Kentucky educational television
(i) Kentucky historical society
(j) Kentucky teachers retirement system board of trustees
(k) Kentucky school building authority
3. Natural resource and environmental protection cabinet:
(a) Environmental quality commission
(b) Kentucky nature preserves commission
(c) Department for environmental protection
(d) Department for natural resources
(e) Department for surface mining reclamation and enforcement
(f) Office of special projects
(g) Office of administration
(h) Office of general counsel
(i) Office of communications and community affairs
4. Transportation cabinet:
(a) Department of highways
(b) Department of vehicle regulation
(c) Office of administration
(d) Office of comptroller
(e) Office of legal affairs
(f) Kentucky turnpike authority
(g) Kentucky housing corporation
5. Commerce cabinet:
(a) Department of economic development
(b) Department of the arts
(c) Department of fish and wildlife resources
(d) Department of parks
(e) Kentucky development finance authority

(f) Kentucky horse park
6. Public protection and regulation cabinet:
(a) Public service commission
(b) Department of insurance
(i) Custodian of insurance securities
(c) Department of labor
(i) Workers compensation board
(ii) Occupational safety and health standards board
(iii) State labor relations board
(d) Department of housing, buildings, and construction
(e) Department of banking and securities
(f) Department for mines and minerals
(g) Department for alcoholic beverage control
(h) Kentucky harness racing commission
(i) Kentucky state racing commission
(j) Kentucky occupational safety and health review commission
(k) Registry of election finance
(l) Board of claims
(m) Crime victims compensation board
(n) Kentucky board of tax appeals
(o) Backside improvement commission
7. Cabinet for human resources:
(a) Department for health services
(b) Department for manpower services
(c) Department for social insurance
(d) Department for social services
(e) Unemployment insurance commission
(f) Public assistance appeals board
(g) Office of administrative services
(h) Office of communications and council affairs
(i) Office of general counsel
(j) Office of inspector general
(k) Office of policy and budget
(l) Office of the ombudsman
8. Finance and administration cabinet:
(a) Office for policy management
(b) Office for program administration
(c) Department for administration
(d) Department of facilities management
(e) Department of personnel
(f) Department of information systems
(g) State property and buildings commission
(h) Kentucky pollution abatement authority
(i) Kentucky savings bond authority
(j) Deferred compensation systems
(k) Office of equal employment opportunity contract compliance
(l) Capital plaza authority
(m) County officials compensation board
(n) Financial disclosure review commission
(o) Kentucky employes retirement systems.
(p) Commonwealth credit union
9. Energy and agriculture cabinet:
(a) Department of agriculture
(b) Department of energy production and utilization
(c) Department of energy research and development
(d) Office of administration
(e) Office of policy and evaluation
(f) Kentucky state fair board
(g) Kentucky council on agriculture
(h) Kentucky fair and exposition center
(i) Tobacco research board

10. Corrections cabinet:
(a) Parole board
(b) Commission on corrections and community services
(c) Department of adult correctional institutions
(d) Office of community services
(e) Office of administrative services
(f) Office of corrections training
(g) Office of general counsel
[~~1. Department of finance.~~
~~(a) State property and buildings commission.~~
~~(b) Turnpike authority of Kentucky.~~
~~(c) Capital plaza authority.~~
~~(d) Kentucky pollution abatement authority.~~
~~(e) Kentucky health and geriatric authority.~~
~~(f) Kentucky savings bond authority.~~
~~(g) Spindletop foundation.~~
~~(h) Kentucky public employes deferred compensation system.~~
~~2. Department of transportation.~~
~~(a) Railroad commission.~~
~~(b) Motor vehicle dealers board.~~
~~3. Department for natural resources and environmental protection.~~
~~(a) Environmental quality commission.~~
~~(b) Soil and water conservation commission.~~
~~(c) Ohio river sanitation commission.~~
~~4. Department of justice.~~
~~(a) Kentucky crime commission.~~
~~(b) Parole board.~~
~~(c) Kentucky law enforcement council.~~
~~(d) Commission on corrections and community service.~~
~~(e) State police personnel board.~~
~~5. Department for human resources.~~
~~(a) Citizens commission for human resources.~~
~~(b) Advisory council for medical assistance.~~
~~(c) Unemployment insurance commission.~~
~~(d) Certificate of need and licensure board.~~
~~(e) Generic formulary council.~~
~~(f) Kentucky cancer commission.~~
~~(g) Statewide health coordinating council.~~
~~6. Department of energy.~~
~~(a) Bureau of energy research.~~
~~(b) Bureau of energy management.~~
~~(c) Advisory council for energy and natural resources.~~
~~(d) Energy research board.~~
~~(e) Kentucky geological survey.~~
~~Cabinet for development~~
~~Department of agriculture (headed by elected officer).~~
~~7. Department of commerce.~~
~~(a) Kentucky industrial development finance authority.~~
~~8. Department of fish and wildlife resources.~~
~~(a) Fish and wildlife resources commission.~~
~~9. Department of parks.~~
~~(a) Breaks interstate park commission.~~
~~10. Kentucky historical events celebration commission.~~
~~11. State fair board.~~
~~12. Economic development commission.~~
~~13. The governor's council on agriculture.~~
~~14. Kentucky film commission.~~
~~15. Department for local government.~~
~~16. State horse park board.~~
~~17. Office for program administration.~~
~~18. Kentucky urban development office.~~

~~19. Kentucky tobacco research board.~~
~~Cabinet for education and the arts.~~
~~20. Kentucky arts commission.~~
~~21. Bureau for the blind.~~
~~Department of education (headed by elected officer).~~
~~22. Kentucky authority for educational television.~~
~~23. Kentucky heritage commission.~~
~~24. Kentucky historical society.~~
~~25. Department of library and archives.~~
~~(a) State archives and records commission.~~
~~(b) State board for certification of librarians.~~
~~26. Advisory council for vocational education and manpower development and training.~~
~~Cabinet for public protection and regulation.~~
~~27. Department for alcoholic beverage control.~~
~~(a) Alcoholic beverage control board.~~
~~28. Department of banking and securities.~~
~~29. Department of insurance.~~
~~(a) Custodian of insurance securities.~~
~~30. Department of labor.~~
~~(a) Workmen's compensation board.~~
~~(b) Occupational safety and health standards board.~~
~~(c) State labor relations board.~~
~~31. Department of mines and minerals.~~
~~32. Kentucky registry of election finance.~~
~~33. Energy regulatory commission and utility regulatory commission.~~
~~34. Kentucky quarterhorse and appaloosa commission.~~
~~35. Kentucky state racing commission.~~
~~36. Kentucky harness racing commission.~~
~~37. Kentucky board of tax appeals.~~
~~38. Department of housing, buildings and construction.~~
~~(a) Kentucky housing corporation.~~
~~39. Board of claims.~~
~~40. Crime victims compensation board.~~]
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. [~~Department of personnel.~~
~~(a) Personnel board.~~
~~3. Department of public information.~~
~~4.~~] Department of revenue.
[~~5. Human rights commission.~~]
3.[~~6.~~] Council on higher education.
4. Department of local government.
[~~7. Teachers' retirement system.~~
~~8. Kentucky employes' retirement system.~~
~~9. Commission on women.~~]

Section 5. KRS 12.023 is amended to read as follows:

(1) The following administrative bodies shall be attached to the office of the governor:

(a) Council on higher education (The state universities and colleges shall report through the council on higher education).

(b) Department of military affairs.
(c) [~~Department of personnel.~~
~~(d) Department of public information.~~
~~(e)~~] Department of revenue.
(d) Department of local government.
[~~(f) Human rights commission.~~
~~(g) Teachers' retirement system.~~
~~(h) Kentucky employes' retirement system.~~
~~(i) Commission on women.~~]

Section 6. KRS 12.050 is amended to read as follows:

Unless otherwise provided by law, deputy heads of departments, [~~heads of bureaus~~] and directors of divisions and institutions shall be appointed by the heads of the departments and in statutory departments the appointment of deputy heads of departments, [~~heads of bureaus~~] and heads of divisions shall be with the prior written approval of the governor. In departments [~~with bureaus,~~] each division head shall report to the head of the *department* [~~bureau~~] to which the division is assigned. [~~In other departments, each division head shall report to the head of the department.~~]

Section 7. KRS 12.060 is amended to read as follows:

(1) The heads of statutory departments, with the approval of the secretary of the [~~department of~~] finance *and administration cabinet*, may establish such subordinate positions as may be necessary and make appointments thereto, within the limitations of their appropriations, and removals therefrom. All appointees to such positions shall be under the supervision, direction and control of the heads of the respective departments and shall perform such duties as the heads of the departments prescribe. The appointment of all employes not otherwise provided for shall be made by the heads of the departments.

(2) The head of any department, with the approval of the secretary of the [~~department of~~] finance *and administration cabinet*, may abolish unnecessary offices and positions, transfer officers and employes between positions, and change the duties, titles and compensation of existing offices and positions, subject to any provision of law in relation thereto.

Section 8. KRS 12.090 is amended to read as follows:

Subject to rules prescribed by the secretary of the [~~department of~~] finance *and administration cabinet* pursuant to law, any agency shall furnish to any other agency such services, labor and materials, as are requisitioned by the head of the other agency, and as its own facilities provide, through the same procedure and subject to the same measures of audit and control as other proposed expense. The expense shall be billed and charged to the agencies served, by transfers between appropriations. Agencies shall, so far as practicable, cooperate with each other in the use of services, quarters and equipment.

Section 9. KRS 12.250 is amended to read as follows:

There are established within state government the following program cabinets:

(1) Justice cabinet.
(2) Education and humanities cabinet.
(3) Natural resource and environmental protection cabinet.
(4) Transportation cabinet.
(5) Commerce cabinet.
(6) Public protection and regulation cabinet.
(7) Cabinet for human resources.
(8) Finance and administration cabinet.
(9) Energy and agriculture cabinet.
(10) Corrections cabinet.
[~~(1) Cabinet for development.~~
~~(2) Cabinet for education and the arts.~~
~~(3) Cabinet for public protection and regulation.~~]

Section 10. KRS 12.255 is amended to read as follows:

There is hereby established the office of secretary for *each of the program cabinets listed in KRS 12.250* [~~development cabinet, office of secretary for education and arts cabinet and office of secretary for public protection and regulation cabinet~~]. Each of these *program cabinets* [~~offices~~] shall be headed by a secretary appointed by the governor, and each secretary shall be chairman of the related cabinet.

Section 11. KRS 12.265 is amended to read as follows:

The cabinets established in KRS 12.250 shall be composed of departments, boards and commissions as *set forth in KRS 12.020.* [~~follows:~~
~~I. Cabinet for development~~
~~A. Department of agriculture~~
~~B. Department of commerce~~
~~C. Department of fish and wildlife resources~~
~~D. Department of parks~~
~~E. Kentucky historical events celebration commission~~
~~F. State fair board~~
~~G. Economic development commission~~
~~H. Governor's council on agriculture~~
~~I. Department for local government~~
~~J. State horse park board~~
~~K. Office for program administration~~
~~L. Urban development office~~
~~M. Kentucky tobacco research board~~
~~N. Appalachian development council.~~
~~II. Cabinet for education and the arts~~

~~A. Kentucky arts commission~~
~~B. Department of education~~
~~C. The Kentucky authority for educational television~~
~~D. Kentucky heritage commission~~
~~E. Kentucky historical society~~
~~F. Department of library and archives~~
~~G. Bureau for the blind.~~
~~III. Cabinet for public protection and regulation~~
~~A. Department of alcoholic beverage control~~
~~B. Department of banking and securities~~
~~C. Department of insurance~~
~~D. Department of labor~~
~~E. Department of mines and minerals~~
~~F. Kentucky registry of election finance~~
~~G. Energy regulatory commission and utility regulatory commission~~
~~H. Kentucky quarterhorse and appaloosa commission~~
~~I. Kentucky state racing commission~~
~~J. Kentucky harness racing commission~~
~~K. Kentucky board of tax appeals~~
~~L. Department of housing, buildings and construction~~
~~M. Board of claims~~
~~N. Crime victims compensation board.~~]

Section 12. KRS 18.140 is amended to read as follows:

(1) The classified service to which KRS 18.110 to 18.360 shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:

(a) The general assembly and employes of the general assembly including the employes of the legislative research commission;

(b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;

(c) Members of boards and commissions;

(d) Officers and employes on the staff of the governor, the lieutenant governor, the office of the secretary of the governor's cabinet, and the office of program administration;

(e) Cabinet secretaries, commissioners, *office* [~~department~~] heads, [~~bureau commissioners~~] and the administrative heads of all boards and commissions, including the executive director of Kentucky educational television;

(f) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;

(g) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the commissioner of personnel approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the personnel board may approve such an addition or additions on petition of the department head approved by the commissioner of personnel;

(h) Division directors subject to the provisions of KRS 18.150;

(i) Physicians employed as such;

(j) One (1) private secretary for each person exempted under subsections (1)(e), (1)(f) and (1)(g) of this section;

(k) The judicial department, referees, receivers, jurors, and notaries public;

(l) Officers and members of the staffs of state universities and colleges and student employes of such institutions; and officers, teachers, and employes of local boards of education;

(m) Patients or inmates employed in state institutions;

(n) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the general assembly, or a committee thereof, or by authority of the governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services who are retained pursuant to application procedures, lists of eligibles, and classification and compensation systems developed by the commissioner of personnel and approved by the professional employment commission under the provisions of KRS 45.535;

(o) Seasonal, temporary, and emergency employes;

(p) Federally funded time-limited employes;

(q) Officers and members of the state militia;

(r) State police troopers and sworn officers in the bureau of state police, department of justice;

(s) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;

(t) Superintendents of state mental institutions, including heads of mental retardation centers, and penal and correctional institutions as referred to in KRS 196.180(2);

(u) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;

(v) County and commonwealth's attorneys and their respective appointees.

(2) Nothing in KRS 18.110 to 18.360 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(3) Nothing herein is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Classified employes with status promoted to positions exempted from classified service may, upon termination of their employment in the exempted service, revert to their classified status, but not necessarily to a particular position in the classified service.

(5) Nothing herein shall be construed as precluding appointing officers from filling nonclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

Section 13. KRS 18.180 is amended to read as follows:

(1) The Governor shall appoint the commissioner of personnel, who shall be considered an employe of the state. He shall be a person who has had extensive training and experience in personnel administration or in allied fields, shall have known sympathies with the merit principle in government service, and shall evidence such other qualifications as are essential to the performance of the duties of the position.

(2) The department of personnel shall be a department in the finance and administration cabinet, and the commissioner shall have such duties and responsibilities as assigned by the secretary of the finance and administration cabinet, and shall be responsible to and report to the secretary.

(3) There is established within the department of personnel the following divisions, each of which shall be headed by a director appointed by the secretary of the finance and administration cabinet, pursuant to KRS 12.050;

(a) The division of classification and compensation, which shall be responsible for, but not limited to, the maintenance of plans of classification and compensation for the state service; for the review and evaluation of these plans; and for the coordination of programs providing services to employes;

(b) The division of agency relations, which shall be responsible for, but not limited to, the maintenance of central personnel files on employes in the state service, preparation of registers of candidates for state employment, processing of personnel documents, the services and staff for the personnel board, and counseling state agencies regarding personnel programs;

(c) The division of applicant counseling and examinations, which shall be responsible for, but not limited to, the operation of a centralized applicant counseling and examination program for state employment and outreach programs such as the administrative intern program;

(d) The division of employe benefits and payroll, which shall be responsible for, but not limited to, design and administration of employe benefits, coordination of the workers' compensation program, management information, coordination of equal employment opportunity and affirmative action, and certification of payrolls of various state agencies; and

(e) The division of career training, which shall be responsible for, but not limited to, the coordination and implementation of all education and training programs, with a special emphasis on managerial and office technical skills within the executive branch.

(4) The department shall include such principal assistants appointed by the commissioner, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as necessary to execute the functions and duties of the department.

Section 14. KRS 42.011 is amended to read as follows:

There is established a *cabinet* [~~department~~] of state government to be known as the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the *"cabinet"* [~~"department"~~]). The *cabinet* [~~department~~] shall be headed by the secretary of the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the "secretary"), which office is hereby created. The secretary shall be appointed by the governor. The secretary shall be bonded as required by KRS 62.160 in the minimum amount of one hundred thousand dollars ($100,000).

Section 15. KRS 42.012 is amended to read as follows:

The secretary shall be the chief financial officer of the state and the adviser of the governor and the general assembly in financial matters, and shall at all times protect the financial interests of the state. He shall be responsible to the governor for the administration of the *cabinet* [~~department~~].

Section 16. KRS 42.013 is amended to read as follows:

(1) The office of the secretary of the *finance and administration cabinet* [~~department of finance~~] which is hereby created shall include a deputy secretary who shall be appointed by the secretary with the approval of the governor. The deputy secretary shall be responsible to and have such authority to sign for the secretary as the secretary designates in writing.

(2) There shall be a general counsel appointed pursuant to KRS 12.210 attached to the office of the secretary to provide legal services for the *cabinet* [~~department~~]. The attorney general on request of the secretary may designate the general counsel as an assistant attorney general pursuant to KRS 15.105.

(3) The secretary may employ and maintain, *subject to the provisions of KRS Chapter 18* [~~with the approval of the department of personnel~~], such other supporting staff as he deems necessary to execute the functions, duties, and responsibilities of the *cabinet* [~~department~~]. *The secretary may organize the office into such additional administrative units as he deems necessary to perform the functions and fulfill the duties of the cabinet.*

(4) All appointments under this chapter to positions not in the classified service shall be made pursuant to KRS 12.050 and such appointees shall be major assistants to the secretary and shall assist in the development of policy.

SECTION 17. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is established a department of state government to be known as the department of information systems. The department shall be a part of the finance and administration cabinet. The department of information systems shall be headed by a commissioner, appointed by the secretary of the finance and administration cabinet, with the approval of the governor. The commissioner shall be responsible to the secretary.

(2) The secretary of the finance and administration cabinet shall appoint, with the approval of the governor, a deputy commissioner of the department of information systems, pursuant to KRS 12.050. The commissioner of information systems, with the approval of the secretary of the finance and administration cabinet, may appoint such principal assistants, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as may be necessary to execute the functions and duties of the department.

SECTION 18. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The department of information systems shall include the following divisions, each of which shall be headed by a director appointed by the secretary with the approval of the governor, pursuant to KRS 12.050:

(a) The division of operations, which shall be responsible for computer operations, including the data center, remote batch entry, data control, on line support, and maintenance of the computer operations facility.

(b) The division of systems support, which shall be responsible for all computer hardware operations, research, development, programming, evaluation, and security systems.

(c) The division of special projects, which shall be responsible for ensuring dependable development and implementation of high priority data processing projects.

(d) The division of data management, which shall be responsible for data base administration, information retrieval and access for all state agencies and all types of software support for internal department development activities.

(e) The division of systems engineering, which shall be responsible for providing development and maintenance of all state agency application systems.

(f) The division of systems planning and administration, which shall be responsible for systems planning and fiscal administration.

(g) The division for statewide financial systems, which shall be responsible for the development and implementation of the uniform and integrated system of accounts and the uniform personnel payroll system, including technical support.

(2) There is established within the division for statewide financial systems an accounting principles task force, which shall study and evaluate the Commonwealth's accounting system and develop recommendations and proposals for modifications and changes necessary to be installed in a unified and integrated system of accounts for state government, complying with generally accepted principles as provided in KRS 45.300.

Section 19. KRS 42.014 is amended to read as follows:

(1) There is established within the *cabinet* [~~department~~] the office for policy and management *which shall be headed by a deputy secretary, the department for administration which shall be headed by a commissioner, and the department for facilities management which shall be headed by a commissioner, each of whom shall be responsible to the secretary and appointed by the secretary upon the approval of the governor. Each of these offices may have at least one major assistant not in the classified service* [~~and the office of air transport, each of which shall be headed by an executive director responsible to the secretary and appointed by the secretary upon approval of the governor. The executive director of the office for policy and management shall have the rank and style of deputy secretary of the department, which position shall be in addition to the position of deputy secretary authorized by KRS 42.013~~].

(2) *There shall be a division of management services which division is hereby established in the office of the secretary. The division of management services shall be headed by a director appointed by the secretary pursuant to the provisions of KRS 12.050. The division and its director shall have such duties and responsibilities as assigned by the secretary and shall be responsible to and report to the secretary* [~~There is established within the department a bureau of administrative services, a bureau of computer services, a bureau of facilities management and a bureau of public properties, each of which shall be headed by a commissioner responsible to the secretary and appointed by the secretary upon approval of the governor. Each of the bureaus shall have the duties and responsibilities assigned to it by the secretary~~].

(3) The secretary shall establish the internal organization and assignment of functions which are not established by statute, and shall divide the *cabinet* [~~department~~] into such offices, bureaus, divisions or other units as the secretary may deem necessary to perform the functions, powers and duties of the department, subject to the provisions of KRS chapter 12.

Section 20. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) *Financial disclosure review commission* [~~State planning committee~~];
(2) [~~Kentucky health and geriatric authority;~~
~~(3) Turnpike authority of Kentucky;~~
~~(4)~~] State property and buildings commission;
[~~(5) Kentucky housing corporation;~~]
(3)[~~(6)~~] Kentucky pollution abatement authority;
(4)[~~(7)~~] Capital plaza authority;
(5)[~~(8)~~] Kentucky savings bond authority;
(6)[~~(9)~~] County officials compensation board;
(7)[~~(10)~~] Kentucky public employes deferred compensation board[~~;~~
~~(11) Governor's design advisory council~~].

Section 21. KRS 42.022 is amended to read as follows:

The deputy secretary of the finance and administration cabinet for the office for policy and management shall also serve as state budget director, and, subject to the direction of the secretary of finance, shall have such dities, rights and responsibilities relating thereto as necessary, including but not limited to the following [~~The office for policy and management established in the department of finance by KRS 42.014 shall have and perform functions and duties as follows~~]:

(1) Assist with the staff planning functions of the state planning committee. The deputy secretary [~~of the department of finance~~] for the office for policy and management shall serve as secretary of the state planning committee.

(2) [~~Statewide clearinghouse functions and statewide plan review and coordination as provided by Memorandum A-95 of the United States office of management and budget; program plan review and analysis; executive policy implementation and compliance; and, capital outlay planning.~~

~~(3)~~] Functions vested in the [~~department of~~] finance *and administration cabinet* relative to the preparation, administration, and evaluation of the executive budget as provided in KRS Chapter 45 and in other laws, including but not limited to, capital construction budgeting, evaluation of state programs, program monitoring, financial and policy analysis and issue review, *and executive policy implementation and compliance.*

(3)[~~(4)~~] Continuous evaluation of statewide management and administrative procedures and practices, including but not limited to, organizational analysis and review, economic forecasting, technical assistance to state agencies, forms control, and special analytic studies as directed by the secretary or the governor.

[~~(5) Except as otherwise provided by law, the coordination of federal-state relations, including but not limited to, coordinating the flow of information between the federal and state governments; federal revenue sharing monitoring within this state; federal legislation review; coordination and oversight of federal aid programs; and federal-state relations policy.~~]

Section 22. KRS 42.023 is amended to read as follows:

(1) The department of administration of the cabinet established by KRS 42.014 shall be generally responsible for such functions and duties as the secretary may assign relating, but not limited to state

accounting, accounts control, fiscal reporting, development and coordination of fiscal processes, preauditing of expenditures, supervision of purchasing and store keeping, control of stores, control of personal property and disposition of surplus personal property, printing and reproductions, state forms, postal services, technical assistance and advice to state agencies, and accounting, technical and economic assistance to local governments.

(2) There shall be established in the department of administration a division of accounts, a division of purchases, a division of printing, a division of occupations and professions, and a division of county and municipal accounting, each of which shall be headed by a director appointed by the commissioner, subject to the approval of the governor, and who shall be responsible to the commissioner. There may be, if needed, sections assigned to specific areas of work, responsible directly to the commissioner for administration. [~~The office of air transport established in the department of finance by KRS 42.014 shall be responsible for the management, administration and operational control of the Capital City Airport and of all air related real properties and appurtenances thereto located at the Capital City Airport not under the exclusive control of another state agency, and shall provide for and oversee the maintenance and care of all state-owned aircraft and control the scheduling and operational use thereof by all state agencies, and attend to the collection from using agencies and officers of the cost of operating said aircraft. Subject to the approval of the secretary as to the reasonableness thereof, the office for air transport shall establish, in accordance with applicable federal and state rules and regulations, fees to be paid by users of the services and facilities of the Capital City Airport. The office of air transport shall be divided for administrative purposes into a division of airport operations and a division of flight operations, each of which shall be headed by a director appointed by the secretary with the approval of the governor.~~]

Section 23. KRS 42.024 is amended to read as follows:

(1) [~~There is hereby recognized as established in the bureau of administrative services, department of finance, a division of accounts and a division of purchases, each of which shall be headed by a director responsible to the commissioner of the bureau of administrative services and appointed by the secretary, subject to the approval of the governor.~~] The division of accounts shall perform such financial record keeping functions as the secretary directs and shall in general be responsible for and perform the functions of the *cabinet* [~~department~~] as outlined in KRS 45.300 and 45.320, *and other related statutes.*

(2) The division of purchases shall be responsible for the performance of the *cabinet's* [~~department's~~] purchasing functions under KRS *Chapters 45 and 45A* [~~45.360 through 45.510~~], except those purchasing functions related to the acquisition of interests in real property, and contractual and construction services which are related to and required in connection with the construction, renovation and repair of state-owned buildings. *The division of purchases shall be responsible for the control of all state-purchased personal property and for the disposition of all state-purchased personal property declared surplus.*

Section 24. KRS 42.025 is amended to read as follows:

(1) The division of printing *shall be responsible for the printing and duplicating needs of state agencies, as provided by KRS Chapters 45A and 57* [~~and duplicating services is established in the bureau of administrative services, department of finance. The division shall be headed by a director who shall be appointed by the secretary subject to the approval of the governor and who shall be responsible to and report to the commissioner of the bureau~~]. The division shall include printing consultants to advise and assist state agencies in advance planning on an annual basis of their printing needs and a forms control unit to review the requirements of state agencies for various kinds of forms and to advise and assist state agencies in forms control, development and revisions.

(2) *The division of county and municipal accounting shall be responsible for assisting both county and municipal governments in their financial administration and for providing state revenue sharing funds to these local governments. The division's responsibilities shall include but not be limited to the state local finance office (KRS 42.170), county fee systems, municipal technical assistance (KRS 91A.050), the local government economic assistance fund (KRS 42.450) and the county and municipal road aid fund (KRS 177.369 and 179.410)* [~~The division of printing and duplicating services shall provide for and supply the printing and duplicating needs of state agencies located or having their central offices in the Frankfort-Franklin County area. The provisions of KRS 57.021 notwithstanding, no program cabinet, department, agency, office or constitutional officer of the state, except the legislative research commission and the attorney general, having offices at the seat of government or required to have their offices at the seat of government, shall operate a printing or duplicating plant~~].

Section 25. KRS 42.027 is amended to read as follows:

The *department for* [~~bureau of~~] facilities management established in the [~~department of~~] finance *and administration cabinet* by KRS 42.014 shall be generally responsible for performance of the *cabinet's* [~~department's~~] functions and duties as outlined in KRS Chapters 45, *45A* and 56 with relation to the management and administration of the state capital construction program, including without limitation to the generality thereof, the procurement of necessary consulting services related to capital construction and building renovation projects, construction services, and supervision of building construction projects, and for the maintenance and operation of the state government's telecommunications systems, *real property management functions and physical plant management functions.* [~~The bureau shall include a deputy commissioner who shall be appointed by the secretary, subject to the approval of the governor, who shall be responsible to the commissioner of the bureau and shall perform such duties under the commissioner's supervision as may be assigned or delegated by the commissioner.~~] The *department* [~~bureau~~] shall be divided for administrative and operational purposes into a division of engineering, a division of contracting and *administration* [~~procurement~~], [~~and~~] a division of telecommunications, *a division of physical plant, and a division of real property,* each of which shall be headed by a director appointed by the secretary, subject to the approval of the governor and responsible to the commissioner [~~of the bureau~~]. The commissioner [~~of the bureau~~] shall provide for the distribution of the *department's* [~~bureau's~~] work among the divisions within the *department* [~~bureau~~].

Section 26. KRS 42.030 is amended to read as follows:

(1) The [~~department of~~] finance *and administration cabinet* shall have and exercise all administrative functions of the state, except as otherwise provided by law, in relation to:

(a) Developing financial policies and plans for consideration by the governor as the basis for his budget and recommendations to the general assembly, and preparing the detailed documents in accordance with the financial plans of the governor for presentation to the general assembly.

(b) Coordinating and supervising the fiscal affairs and fiscal procedures of the state to insure the carrying out of the definite financial policies and plans approved by the general assembly.

(c) Accounting, including budgetary accounting and accounting control.

(d) Fiscal reporting.

(e) Supervision of preauditing of expenditures and current auditing of receipts and receivables.

(f) Supervision of purchasing and storekeeping and control of property and stores.

(g) Supervision of all receivables of the state.

(h) Maintaining and operating public buildings, except those provided for the exclusive use of any one (1) *governmental* agency.

(i) Auditing the accounts of the treasurer and the auditor of public accounts, as contemplated by section 53 of the constitution.

(j) Coordination and supervision of *accounting and budgeting of* [~~data processing, computers, and~~] government information systems.

(k) Accounting, technical and economic assistance to local governments.

(2) The [~~department of~~] finance *and administration cabinet* shall be primarily responsible for maintaining management control over the activities of the several budget units. To perform this function, the *cabinet* [~~department of finance~~] shall:

(a) Keep in continuous touch with the operations, plans and needs of the several state agencies, and with the sources and amounts of revenue and other receipts of the state.

(b) Appraise the quantity and quality of services rendered by each agency, and the needs for such services and for any new services.

(c) Examine and recommend work programs and periodical allotments to the several state agencies, and changes therein.

(d) Develop plans for improvements and economies in organization and operation of the several state agencies, and install such plans as are approved by the respective heads of the agencies or as directed by the governor or the general assembly.

(e) Devise and prescribe the forms of operations reports to be required periodically from each agency and require the agencies to make such reports.

(f) Examine and approve all statements and reports on the financial condition, estimated future financial condition and operation of the state government and its agencies, before any such reports are released to the governor, to the general assembly, or for publication.

(g) Receive and deal with all requests for information as to financial conditions and operations of the state.

(h) Prepare such unit costs and cost statistics as are required from time to time.

(i) Advise and assist the governor, the general assembly and the appropriation committees of the general assembly, on request, in any matters relating to the functions of the *cabinet* [~~department of finance~~].

(j) Keep a summary of the financial transactions of all state agencies.

(3) The functions conferred upon the *cabinet* [~~department of finance~~] by this section shall be in lieu of similar functions formerly exercised by other state agencies.

Section 27. KRS 42.066 is amended to read as follows:

(1) The *division of occupations and professions shall* [~~function of the division is to~~] provide administrative services, technical assistance and advice to the following boards and commissions at the request of the individual boards or commissions, all of which maintain their identity and their full authority for making

policy decisions in the fields that they regulate: The state board of accountancy, Kentucky athletic commission, the state board of examiners and registration of architects, the Kentucky board of barbering, the Kentucky board of hairdressers and cosmetologists, the state board of podiatry, the Kentucky state board of chiropractic examiners, the Kentucky board of dentistry, the state board of embalmers and funeral directors, the state board of registration for professional engineers and land surveyors, the board of nursing education and nurse registration, the Kentucky board of ophthalmic dispensers, the Kentucky board of optometric examiners, the Kentucky board of pharmacy, the state board of physical therapy, the board of examiners of psychologists, the state real estate commission, the Kentucky board of veterinary examiners, the Kentucky board of examiners in watchmaking, the state board of auctioneers, the state board for proprietary education, the state board of examiners and registration of landscape architects, the state board of medical licensure, the state board of examiners of speech pathology and audiology, the Kentucky board of licensure for nursing home administrators, the Kentucky board for licensing hearing aid dealers, the state board of examiners of social work of Kentucky, and such other boards and commissions as are created to license, certify, register or otherwise regulate any occupational or professional category.

(2) To the extent that the division does provide administrative services, the respective boards and commissions are relieved of the power and duty to provide the services for themselves. The division shall charge each board or commission a reasonable amount for administrative services provided pursuant to subsection (1) of this section. The division may employ persons previously employed by boards or commissions.

(3) The division may receive complaints against the conduct of licensees granted licensure by the boards and commissions assigned to the division for administrative purposes. The division shall cause such complaints to be reduced to writing and forwarded to the appropriate board or commission for investigation and a determination of the validity of the complaint. The division shall keep a record of all complaints received by it and forwarded to a board or commission.

Section 28. KRS 42.170 is amended to read as follows:

All of the functions of the state local finance officer provided in KRS chapters 66, 68, 103 and 131 relating to the issuance of bonds and control of funds of counties, cities and other local units and county financial administration shall be exercised by the *finance and administration cabinet* [~~department for local government~~].

Section 29. KRS 42.455 is amended to read as follows:

(1) There is established within the *finance and administration cabinet* [~~department of local government~~] a local government economic assistance program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all monies in the fund shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the fund shall be spent on priority categories limited to the following:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewer disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) Financial administration and governmental management programs;

(i) Industrial and economic development; and

(j) Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The [~~department of~~] finance *and administration cabinet* shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by KRS 42.455.

(6) The *finance and administration cabinet* [~~department for local government~~] shall assure that public hearings equivalent to those required for the expenditure of federal general revenue sharing funds are held on the expenditure of funds received under KRS 42.450 to 42.495. The *cabinet* [~~department of local government~~] shall also submit an annual report to the governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the department of transportation shall publish and furnish to the [~~department of~~] finance *and administration cabinet* a directory, including supporting maps and other documents, designating the official state coal road system in coal impact and coal producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal impact and coal producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the department can accurately calculate total ton/miles within each coal impact and coal producing county.

(9) The department of revenue shall make available to the department of transportation coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 30. KRS 42.460 is amended to read as follows:

Any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report will include a certification that said funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the *finance and administration cabinet* [~~department of local government~~] within eighteen (18) months after the end of the fiscal year.

Section 31. KRS 45.770 is amended to read as follows:

(1) There is created within the state treasury a capital construction and equipment purchase contingency fund. The fund shall consist of monies appropriated to the fund by the general assembly and income derived from the investment of monies appropriated to the fund. The fund shall also include income derived from the investment of funds appropriated by the general assembly for capital construction projects or the purchase of major items of equipment prior to the time such funds are allotted for expenditure on the project or item.

(2) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a capital construction project, authorized by the general assembly under KRS 45.760, subject to the following conditions and procedures:

(a) Except as provided in paragraph (d) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized project shall not exceed an amount equal to twenty-five percent (25%) of the estimated cost of the project, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) The [~~department of~~] finance *and administration cabinet* may transfer an amount equal to fifteen percent (15%) or less of the estimated cost of an authorized project from the fund to the allotment account of the project provided that the *cabinet* [~~department~~] reports the transfer to the capital construction and equipment purchase oversight committee within thirty (30) days after making the transfer. The report shall include documentation of the amount, necessity and purpose of the transfer, the amount already expended on the project prior to and during the current biennium, and any alterations made or planned in the project since its consideration by the general assembly during the most recent regular session.

(c) The [~~department of~~] finance *and administration cabinet* may transfer, from the fund to the allotment account of an authorized project, an amount equal to more than fifteen percent (15%) but not more than twenty-five percent (25%) of the estimated cost of the project, subject to paragraph (e) of this subsection.

(d) In the event that the cost of an authorized project exceeds, by more than twenty-five percent (25%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of twenty-five percent (25%) of the estimated cost of the project may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the project, subject to paragraph (e) of this subsection.

(e) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under paragraph (c) or (d) of this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (d) of this subsection shall include written certification to the committee from the commissioner of the *department for* [~~bureau of~~] facilities management, [~~department of~~] finance *and administration cabinet*, that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

(3) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a major item of equipment, authorized by the general assembly under KRS 45.760, for expenditure on that item subject to the following conditions and procedures:

(a) Except as provided in paragraph (b) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized major item of equipment shall not exceed an amount equal to ten percent (10%) of the estimated cost of the item, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) In the event that the cost of an authorized major item of equipment exceeds, by more than ten percent (10%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of ten percent (10%) of the estimated cost may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the item.

(c) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the secretary of the [~~department of~~] finance *and administration cabinet* that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

Section 32. KRS 45A.305 is amended to read as follows:

(1) Any public purchasing unit is authorized, within its discretion, upon written request from another public purchasing unit or foreign purchasing activity, to provide personnel to the requesting public purchasing unit or foreign purchasing activity. Payment to the public purchasing unit providing the personnel, by the public purchasing unit or foreign purchasing activity making the request, of direct and indirect costs of furnishing the personnel, and the terms relating thereto shall be agreed upon by the parties involved.

(2) The informational, technical, and other services of any public purchasing unit may be made available to any other public purchasing unit or foreign purchasing activity provided that the requirements of the public purchasing unit tendering the services shall have precedence over the requesting public purchasing unit or foreign purchasing activity. Additionally, and subject to agreement between the parties, the requesting public purchasing unit or foreign purchasing activity shall pay all of the expenses of the services so provided.

(3) This Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], upon request may make available to all public purchasing units the following services, among others:

(a) Standard forms;
(b) Printed manuals;
(c) Product specifications and standards;
(d) Quality assurance testing services and methods;
(e) Qualified products lists;
(f) Source information;
(g) Common use commodities listings;
(h) Supplier prequalification information;
(i) Supplier performance ratings;
(j) Debarred and suspended bidders list;
(k) Forms for invitations for bids, requests for proposals, instructions to bidders, general contract provisions, and other contract forms; and
(l) Contracts or published summaries thereof, including price and time of delivery information.

(4) The Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], may provide the following technical services, among others:

(a) Development of products specifications;
(b) Development of quality assurance test methods, including receiving, inspection, and acceptance procedures;
(c) Use of state product testing and inspection facilities; and
(d) Use of state personnel training programs.

(5) The *finance and administration cabinet* [~~department of local government~~] may publish a schedule of fees for the services provided under subsections (3) and (4) of this section.

Section 33. KRS 56.802 is amended to read as follows:

(1) Whenever an agency determines that it will need office or other space it shall submit a request for the acquisition of such additional space to the *department for facilities management* [~~bureau of public~~

~~properties~~] in the [~~department of~~] finance *and administration cabinet*. If the *department for facilities management* [~~bureau of public properties~~] determines that insufficient space has been allocated to the agency making the request, it may then acquire the space required by lease as provided by KRS 56.800 to 56.820.

(2) The *department for facilities management* [~~bureau of public properties~~] shall review each agency space request to determine whether space suitable to meet the agency's reasonable needs may be available in a state-owned or occupied building. If it is determined that there is no suitable space available in a state-owned or occupied building, the *department* [~~bureau~~] shall, except as provided in KRS 56.804, cause an advertisement to be placed in a newspaper having general circulation in each county where space is sought, soliciting negotiations of a lease to the Commonwealth of space meeting the agency's general requirements. The advertisement shall be published two (2) times during any seven (7) day period in daily newspapers and one (1) time in weekly newspapers. Whenever an advertisement for space is made in a weekly newspaper, it shall also be made in a newspaper of daily publication in the county of closest geographic proximity to the county in which the space is sought and for which advertisement has been made in a weekly newspaper. All leases of space in Franklin County, and all leases in any county for which the annual rental charge is estimated to exceed one hundred thousand dollars ($100,000), shall be published in at least two (2) newspapers having broad circulation within the state, to be designated by the secretary of the *finance and administration cabinet* [~~department~~], in addition to a newspaper published and of general circulation in the county in which the space is sought. The advertisement shall contain such general information concerning the agency requirements for the space sought as will reasonably inform persons having property to let within the county of the type of space wanted, the general location of the property, and the number of square feet needed, and shall state the last time, date and place that responses will be received. Responses may be made by any person in writing on or before the time and date designated and need only designate the type and location of the property, the name and address of the property owner and the date of the availability of the property for lease.

(3) Following the expiration of the time specified for the submission of proposals, the space proposed to be leased to the state by each person submitting a proposal will be inspected to determine its suitability to the reasonable needs of the agency for whose use the property is sought. The owner or other person submitting the proposal shall provide access to the property for such inspection. A report of the findings about each property inspected shall be submitted to the commissioner of the *department for facilities management* [~~bureau of public properties~~] who shall, after consultation with the head of the agency for whose use the space is sought, determine the best proposal received in the interest of the state. The commissioner shall, in making his determination, take into account factors including but not limited to: the location and accessibility of the property to the public; its condition and state of repair; its conformity with the requirements of occupational health and safety regulations; the proposed rental rates; and the general conformity of the property proposed to the advertised space requirements. The lease of the space shall be awarded in the discretion of the commissioner [~~of the bureau~~] to the person whose proposal most closely conforms to the general requirements of the advertisement for the space and meets applicable state fire, health, safety and sanitation requirements and the requesting agency's reasonable space requirements.

(4) Recognizing the improbability that any two (2) properties proposed to be leased to the state under this section will be identical and that reasonable men might differ in determining the best proposal received for the lease of property to the state, it is the general assembly's intention in this section to confer upon and delegate to the commissioner of the *department for facilities management* [~~bureau of public properties~~] through the *finance and administration cabinet* [~~department~~], the broadest possible power and authority to make such determinations. Judicial review of the action of the *cabinet* [~~department~~] and the commissioner [~~of the bureau~~] in the award of leases under this section shall be limited to determining whether the award of a lease by the state was procured by fraud. Any person who by judicial process unsuccessfully challenges the award of any lease of space by the state under this section shall be liable to the state for its costs in the action, including reasonable attorneys' fees.

Section 34. KRS 56.816 is amended to read as follows:

(1) Whenever the *department for facilities management* [~~bureau of public properties~~] in the [~~department of~~] finance *and administration cabinet* has reason to believe that there is no office or other space available to let that will be suitable to meet the space needs of one or more state agencies seeking the lease of space in a community where space is sought, and a determination has been made by the secretary of the [~~department of~~] finance *and administration cabinet*, with the approval of the governor, that the construction of a building by the Commonwealth to meet such need is not economically or otherwise feasible, the *department* [~~bureau~~] may advertise for written proposals for the construction of a building meeting the agency or agencies' space requirements and to be leased to the Commonwealth under a built-to-suit lease as authorized by this section.

(2) Advertisements for all built-to-suit leases shall be published in a newspaper of general circulation in the county where the space is sought and on a state-wide basis as provided by KRS 424.180. Advertisements for proposals for all built-to-suit leases shall be made ninety (90), sixty (60), and thirty (30) days in advance of the date fixed for receiving and opening the proposals.

(3) The *department* [~~bureau~~] shall develop, in consultation with the agency or agencies for whose use the space is sought[~~, and with the assistance of the bureau of facilities management,~~] general requirement specifications for the structure, which shall be set forth in outline form in the advertisement for proposals; the advertisement shall state that more detailed information about the space requirements and forms for submitting proposals may be obtained from the *department for facilities management* [~~bureau of public properties~~] and the time, date and place that proposals will be received.

(4) Each proposal submitted for built-to-suit leases shall contain information about the proposed site for the building, an estimate of the cost of the building, information about the proposed plan or method of financing the construction of the building, and schematic drawings of the proposed building. All buildings constructed and leased to the Commonwealth under built-to-suit lease agreements shall be constructed in accordance with all applicable state and national safety, building and construction code requirements and the preliminary and final building construction plans shall be reviewed and approved by the *department for* [~~bureau of~~] facilities management.

(5) At the time, date and place fixed in the advertisement, all written proposals for built-to-suit leases received shall be opened and publicly read. The commissioner of the *department* [~~bureau~~], after consultation with the head or heads of the agency or agencies for whose use the space is sought, [~~and with the advice and assistance of the bureau of facilities management,~~] shall award the built-to-suit lease to the individual or firm whose proposal, in the judgment and discretion of the commissioner, most closely conforms to advertised general requirement specifications.

Section 35. KRS 56.818 is amended to read as follows:

(1) The term of all built-to-suit lease agreements entered into by the Commonwealth under KRS 56.816 shall conform to the requirements of all applicable statutory and constitutional provisions as construed by the Kentucky Supreme Court.

(2) When necessary to enable an individual or firm to whom a built-to-suit lease agreement has been awarded to obtain either short or long term financing for the erection of the building to be constructed under such lease, or desirable in the best interests of the Commonwealth, the Commonwealth may be granted and may accept as a part of said lease an option to purchase the leased buildings, land and any appurtenant facilities. The option price to be paid for any such property shall not exceed its fair market value as of the time the option is exercised as determined by a competent and qualified real estate appraiser, selected by mutual agreement of the parties, employing the reproduction cost new or other accepted appraisal techniques; provided, however, that in no event shall the option price be less than a sum equal to the remaining balance of any mortgage lien encumbering the property and securing the repayment of monies advanced to the owner for the original construction of the building, plus an amount not to exceed ten percent of such mortgage balance.

(3) All built-to-suit lease agreements shall be executed for the Commonwealth by the secretary of the [~~department of~~] finance *and administration cabinet* on recommendation by the commissioner of the *department for facilities management* [~~bureau for public properties~~], approved for form and legality by the attorney general or an assistant attorney general, and approved by the governor, before they shall be binding against the Commonwealth. All such leases shall be lodged for record and recorded in the office of the county clerk of the county in which the leased property is located.

Section 36. KRS 58.215 is amended to read as follows:

(1) The capital plaza authority shall be composed of *six (6)* [~~five (5)~~] members. The governor, secretary of the [~~department of~~] finance *and administration cabinet*, [~~and~~] attorney general *and the secretary of development* shall be the *four (4)* [~~three (3)~~] state members. The mayor shall appoint the city member. The county judge/executive shall appoint the county member. Both the city member and the county member shall serve for a four (4) year term. These *six (6)* [~~five (5)~~] persons are a body corporate constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of the "Capital Plaza Authority," with perpetual succession and with power in that name to contract and be contracted with, to convey property, to sue and be sued, to have and use a corporate seal, and to exercise, in addition to the powers and functions specifically stated in KRS 58.210 to 58.315, all of the usual powers of private corporations not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services, but are entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as members.

(3) *Four (4)* [~~Three (3)~~] members of the authority shall constitute a quorum for the transaction of business. The governor shall be the chairman of the authority and the secretary of the [~~department of~~] finance *and administration cabinet* shall be the vice-chairman. The authority shall elect a secretary and a treasurer who shall serve at the pleasure of the authority and receive such compensation as may be determined by the authority. The treasurer shall give bond to the authority for a faithful accounting for all funds coming into his custody, in such amount as the authority may prescribe, drawn upon a surety company qualified

to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office and the secretary of the authority shall maintain therein complete records of the authority's actions and proceedings, as public records open to inspection.

Section 37. KRS 61.420 is amended to read as follows:

For the purpose of KRS 61.410 to 61.500:

(1) "Wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of federal insurance contributions act, would not constitute "wages" within the meaning of that act;

(2) "Employment" means any service performed by an employe in the employ of the Commonwealth, a political subdivision, or an interstate instrumentality, for such employers, except (a) service of an emergency nature, (b) service which in the absence of an agreement entered into under KRS 61.410 to 61.500 would constitute "employment" as defined in the social security act, or (c) service which under the social security act may not be included in any agreement between the Commonwealth and the secretary entered into under KRS 61.410 to 61.500; provided, however, that service, the compensation for which is on a fee basis, may be excluded in any plan approved under KRS 61.410 to 61.500, and provided also, that service in any class or classes of positions, the exclusion of which is permitted under the social security act, may be excluded in any plan approved under KRS 61.460;

(3) "Employe" means any person in the service of the Commonwealth, a political subdivision or an interstate instrumentality of which the Commonwealth is a principal and shall include all persons designated officers including those which are elected and those which are appointed;

(4) "State agency" means the *state office for social security, which agency shall be subject to the authority of the secretary of finance and administration* [~~department for human resources~~];

(5) "Political subdivision," in addition to counties, municipal corporations and school districts, includes instrumentalities of the Commonwealth, of one or more of its political subdivisions or of the Commonwealth and one or more of its political subdivisions, and any other governmental unit thereof;

(6) "Social security act" means the act of congress approved August 14, 1935, chapter 531, 49 Stat. 620, officially cited as the "social security act," including regulations and requirements issued pursuant thereto, as such act has been and may from time to time be amended;

(7) "Federal insurance contributions act" means subchapter A of chapter 9 of the federal internal revenue code and all amendments thereto;

(8) "Secretary" means the secretary of health, education and welfare and includes any individual to whom the secretary may delegate any of his functions under the social security act; and, with respect to any transactions regarding insurance coverage occurring prior to April 11, 1953, includes the federal security administrator and any individual to whom he may have delegated any of his functions under the social security act;

(9) "Insurance coverage" means coverage by the old-age, survivors and disability insurance provisions of the social security act;

(10) "Sick leave with pay" means any payment made in lieu of salary on account of sickness or accident disability.

Section 38. KRS 61.460 is amended to read as follows:

(1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending insurance coverage to employes of such political subdivision; provided, however, that no such plan shall provide insurance coverage to an employe occupying a position to which KRS 161.220 to 161.710 are applicable except for employes of the state colleges and public junior colleges. Each such plan and any amendments thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(a) It is in conformity with the requirements of the social security act and with the agreement entered into under KRS 61.430;

(b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employes thereof, shall be covered by the plan;

(c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) of this section are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(d) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof;

(e) It provides that the political subdivision will make such reports, in such form and containing such information, as the state agency may from time to time require, and will comply with such provisions as the state agency or the secretary may from time to time find necessary to assure the correctness and verification of such reports; and

(f) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency and as may be consistent with the provisions of the social security act.

(2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1) of this section, and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

(3) (a) Each political subdivision for which a plan has been approved under this section is authorized to and shall pay into the contribution fund, with respect to wages, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430; and, furthermore, in anticipation of the due date of any payments of contributions required herein, is authorized to and shall make such advancements as the state agency, by regulation or contract, may require.

(b) Each political subdivision is authorized to and shall make such payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employes covered under any plan approved under subsection (1) of this section, but in no event shall such amount be greater than five percent (5%) of the contributions required under paragraph (a) of this subsection. Such payments shall be made into the state treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated herein.

(c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employe's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution with respect to wages received for each calendar year, at the rate established by the federal insurance contributions act, as amended, and the social security act, as amended. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision under paragraph (a) of this subsection. Failure to deduct such contribution shall not relieve the employer of liability therefor.

(4) Delinquent payments due under paragraph (a) of subsection (3) of this section, with interest at the rate *prescribed by Section 218 (j) of the Social Security Act* [~~of six percent (6%) per year~~], may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such subdivision by any department or agency of the state.

(5) Each political subdivision may exclude sick leave with pay from wages if such payments are made under a plan or system approved by the state agency for social security. Any such plan or system shall conform to the social security act and to any regulations promulgated thereunder.

Section 39. KRS 61.470 is amended to read as follows:

(1) There is hereby established a special fund to be known as the contribution fund. Such fund shall consist of and there shall be deposited therein:

(a) All contributions, interest, and penalties under KRS 61.450 and 61.460;

(b) All moneys appropriated or otherwise contributed thereto;

(c) Any property or securities and earnings thereof acquired through the use of moneys belonging to the fund;

(d) Interest earned upon any moneys in the fund, and

(e) All sums recovered from the bond of the custodian or otherwise for losses sustained by the fund, and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of KRS 61.410 to 61.500, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of KRS 61.410 to 61.500.

(2) The contribution fund shall be a trust and agency fund which shall not lapse and shall be held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purposes of KRS 61.410 to 61.500. Withdrawals from such fund shall be made for, and solely for:

(a) Payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under KRS 61.430;

(b) Payment of refunds provided for in subsection (3) of KRS 61.450;

(c) Refunds of overpayments, not otherwise adjustable, made by a political subdivision; and

(d) For payment of administrative costs for the administration of KRS 61.410 to 61.500 to the extent of the interest earned on investments of the contribution fund.

(3) From the contribution fund the custodian of the fund shall pay to the secretary of the treasury such amounts at such time or times as may be directed by the state agency in accordance with any agreement entered into under KRS 61.430.

(4) *At the end of each fiscal year, the state agency shall make an estimate of the necessary operating costs of the state agency for the next fiscal year, including a contingent liability fund. After approval of this amount needed for necessary costs and contingent liability fund by the secretary of finance and administration, the realized investment earnings of the contribution fund available at the end of any fiscal year shall be reduced to this approved amount, and any excess is hereby authorized for transfer to the credit of the general fund.*

(5) The treasurer of the state shall be ex-officio treasurer and custodian of the contribution fund and shall administer such fund in accordance with the provisions of KRS 61.410 to 61.500 and the directions of the state agency, and shall pay all warrants drawn upon the fund in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

Section 40. KRS 64.810 is amended to read as follows:

(1) Any county clerk, county judge/executive, county attorney, sheriff, jailer, coroner, or constable shall have the right to employ a certified public accountant to audit the books, accounts, and papers of his office in lieu of the audit conducted by the state auditor of public accounts required by KRS 43.070.

(2) If said official elects to exercise the right prescribed in subsection (1), then he shall:

(a) Notify in writing within thirty (30) days following the period to be audited, the fiscal court of his county and the state auditor of the name of the certified public accountant employed by said official to audit the books, accounts, and papers of his office; the auditor shall acknowledge, in writing, receipt of such notification, and approval of the use of the designated independent certified public accountant cannot be withheld unless such certified public accountant fails to conform to standard audit programs established for governmental accounting and other generally accepted accounting procedures as set forth by the Kentucky board of accountancy;

(b) Bear the cost of the audit from funds received or collected by him, and the cost of the audit shall be construed as an expense of his office;

(c) Within a reasonable time after the certified public accountant's examination, submit the accountant's written report to the governor, the general assembly, the attorney general, the county officials' compensation board, the state librarian, the state auditor of public accounts, *the state local finance officer,* and the fiscal court and county attorney of his county. In addition, the official shall send the report to a newspaper having general circulation in the county of the official, and the letter of transmittal accompanying the report shall be published in said newspaper in accordance with the provisions of KRS chapter 424.

(3) This section shall not be construed as eliminating the requirement that the books, accounts, and papers of the above named officials be audited yearly. This section shall not preclude the state auditor from reviewing the reports of the certified public accountant. After preliminary review, should discrepancies be found, nothing in this section or in KRS 43.070(1)(b) shall be construed as precluding the auditor's office from making its own investigative report or audit to verify the findings of the independent certified public accountant's report. If such investigative audit be deemed necessary, the expenses to said county official, as directed by KRS 43.070(2), shall be construed as an allowable expense of that office.

Section 41. KRS 65.070 is amended to read as follows:

(1) At least once every twelve (12) months, a district shall:

(a) File with the county clerk of each county with territory in the district a certification showing the name of the district, a map or general description of its service area, the statutory authority under which it was created, and the names and addresses of the members of its governing body and chief executive officer;

(b) File a copy of the district budget, financial statement if prepared, and audit when performed, with the county judge/executive of each county with territory in the district;

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) The *finance and administration cabinet* [~~department for local government~~] shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

Section 42. KRS 66.045 is amended to read as follows:

(1) It is the intent of this section to facilitate, through state technical and advisory assistance, the marketing of local government bonds and other long-term obligations at the lowest possible net interest costs.

(2) (a) "Local government" means a county, city, and other special-purpose district, authority, or public corporation, except a school district, within the state, but which exercises less than statewide jurisdiction.

(b) "Governing body" means the board, commission, or other such body charged with exercising the legislative authority of a local government.

(c) "State local finance officer," as used in this chapter and other provisions of law, *means the secretary of the finance and administration cabinet or his agent designated in writing with the approval of the governor* [~~shall be the department for local government~~].

(d) "Chief financial officer" means the comptroller, treasurer, director of finance or other local government official charged with managing the fiscal affairs of a local government.

(e) "Bonds," as used anywhere in this chapter, means debt payable more than one (1) year after date of issue or incurrence, issued pursuant to the laws authorizing local government borrowing.

(3) Without first notifying the state local finance officer in writing, no bonds may be issued by or on behalf of any local government. The notification shall contain the maturity schedule, interest rate, date of issue, purpose, paying agent, and such other information as the state local finance officer may require to provide a complete file on local government debt.

(4) The state local finance officer may provide technical and advisory assistance regarding the issuance of long-term debt to those local governments whose governing bodies request such assistance. Such assistance shall include, but need not be limited to, (a) advice on the marketing of bonds by local governments, (b) conduct of training courses in debt management for local financial officers, and (c) promotion of the use by local governments of such tools for sound financial management as adequate systems of budgeting, accounting, auditing, and reporting.

Section 43. KRS 66.390 is amended to read as follows:

Ownership of obligations of Kentucky counties shall disqualify the *secretary of the finance and administration cabinet* [~~commissioner of the department for local government~~] or any of his appointees from serving in any capacity incident to the administration of KRS 66.280 to 66.380, or KRS 68.220, 68.250, 68.270, 68.280, 68.310 or 68.320.

Section 44. KRS 68.020 is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall disburse such money in such manner and for such purpose as may be authorized by appropriate authority of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor. All warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against anyone having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the *finance and administration cabinet* [~~department for local government~~].

(4) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty (30) days after the close of each fiscal year, he shall make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge/executive shall call a special term which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

Section 45. KRS 91A.040 is amended to read as follows:

(1) Each city shall, as soon as practicable and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant.

(2) The city shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include, but not be limited to, requirements that:

(a) The auditor be employed to examine the balance sheets of all governmental proprietary and fiduciary funds of the city;

(b) All audit information be prepared in accordance with generally accepted governmental auditing standards which includes such tests of the accounting records and such auditing procedures as considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(c) The auditor prepare a typewritten or printed report embodying financial statements and his opinion and statements relating thereto;

(d) The auditor express an overall opinion as to whether the statement of receipts and expenditures presents fairly the financial condition of the city or state the reasons why an overall opinion cannot be expressed;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting;

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the auditor of public accounts upon request of the city or the auditor of public accounts, and the auditor of public accounts shall have the right to review the certified public accountant's work papers upon request.

(3) Upon completion of an annual audit, the city shall forward two (2) copies of the audit report to the *finance and administration cabinet* [~~department for local government~~] for information purposes.

(4) Upon completion of an annual audit, the city shall publish a summary of the audit in accordance with KRS Chapter 424.

(5) A copy of an annual audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements.

Section 46. KRS 91A.050 is amended to read as follows:

The *finance and administration cabinet* [~~department for local government~~] shall make available to all cities assistance in meeting the requirements of KRS 91A.010 to 91A.060, including the preparation and dissemination of model systems for accounting and budgeting, and other technical materials.

Section 47. KRS 147.072 is amended to read as follows:

(1) There is established an office for program administration under and attached to the *finance and administration* cabinet [~~for development~~].

(2) The office shall be headed by *an executive* [~~a~~] director for program administration. The *executive* director may appoint and employ, with the concurrence of the secretary of the *finance and administration* [~~development~~] cabinet, such assistants and other personnel as the *executive* director deems necessary to carry out and perform the functions vested in the office for program administration.

(3) The office for program administration shall assist the secretary in carrying out his functions and duties pertaining to the overseeing of the cabinet and those agencies directly under the secretary. It shall assist in the coordination of activities of state government for their effective and efficient administration.

[~~(4) The office shall assist the secretary of the cabinet for development in the monitoring of programs as well as assist the secretary of the development cabinet in his role as vice chairman of the state planning committee.~~]

Section 48. KRS 147A.020 is amended to read as follows:

(1) The *finance and administration cabinet* [~~department for local government~~] shall exercise all administrative functions of the state as provided in the county debt act, KRS 66.280 to 66.390; as regards county and local government budgets as provided in KRS 68.210 to 68.360; and as to local government bonds as provided in KRS 66.045.

(2) The *finance and administration cabinet* [~~department for local government~~] shall have the following powers and duties:

(a) To require such reports from local governments as will enable it adequately to provide the technical and advisory assistance authorized by this section. The reports shall provide the necessary information for a complete file on local government debt, which shall be kept open for public inspection at the state local finance offices.

(b) To encourage, conduct, or participate in training courses in debt and general fiscal management and procedures and practices for the benefit of local officials, and in connection therewith, to cooperate with associations of public officials, business and professional organizations, university faculties, or other specialists.

(c) To conduct studies in debt management, including ways and means of appraising the terms of alternative bids.

(d) To request such assistance and information, which shall be provided by all departments, divisions, boards, bureaus, commissions, and other agencies of state government to enable the state local finance officer to carry out his duties under this section.

(e) At its discretion, to compile and publish annually a report. Such report may include detailed information on local government long-term debt issued and retired during the previous year and outstanding, and other available statistical data on local government finances.

(3) The *finance and administration cabinet* [~~department for local government~~] shall coordinate for the governor the state's responsibility for, and shall be responsible for liaison with the appropriate state and federal agencies with respect to the following programs:

(a) [~~Housing and urban development act as amended;~~
~~(b) Demonstration cities and metropolitan development act as amended;~~
~~(c) Farmers home administration;~~
~~(d) Veterans administration act as amended, as it pertains to housing;~~
~~(e)~~] General revenue sharing for local governments.

(4) The *finance and administration cabinet* [~~department for local government~~] shall provide technical assistance and information to units of local government, including but not limited to:

(a) Fiscal management;
(b) [~~Personnel administration;~~
~~(c)~~] Purchases and contracts[~~;~~
~~(d) Ordinances and codes;~~
~~(e) Community development~~].

Section 49. KRS 335.050 is amended to read as follows:

(1) There is hereby created a state board of examiners of social work of Kentucky which shall consist of seven (7) members appointed by the governor. Two (2) members shall be, or be eligible to be, certified social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service, education or research in social work for at least five (5) years. Two (2) members shall be, or be eligible to be, social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service in social work for at least two (2) years. Two (2) members shall be, or be eligible to be, certified social workers licensed under the provisions of KRS 335.010 to 335.160 and 335.990 to engage in the independent practice of social work. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The social worker member shall be appointed from a list of names of qualified persons submitted by any interested parties The governor may request the submission of additional names.

(2) Members of the board shall be appointed for terms of four (4) years except appointments to fill vacancies caused by a reason other than the expiration of a member's term. Upon recommendation of the board, made after notice and hearing, the governor may remove any member of the board for incompetence, neglect of duty, or malfeasance in office.

(3) Any vacancy of a social worker member shall be filled term by the governor from a list as described in subsection (1) of this section.

(4) The board shall organize upon appointment and qualification of its members, and shall elect annually from its membership a chairman, vice chairman, and a secretary. The board shall meet in February and in August of each year, and as frequently as it deems necessary at such times and places as the board designates. The additional meetings may be held upon call of the chairman or upon the written request of three (3) members of the board. Four (4) members of the board shall constitute a quorum.

(5) The board shall be attached to the division of occupations and professions in the [~~executive department for~~] finance and administration *cabinet* pursuant to the provisions of KRS *42.066* [~~42.064~~].

Section 50. The Reviser of Statutes shall make the following changes in the Kentucky Revised Statutes to conform to Section 4 of this Act:

(1) "Department of justice" shall be changed to "justice cabinet," "office for public advocacy" shall be changed to "department of public advocacy," "bureau of state police" shall be changed to "department of state police," and "bureau of training" shall be changed to "department of training."

(2) Within the education and humanities cabinet, "bureau for the blind" shall be changed to "department for the blind."

(3) "Department for natural resources and environmental protection" shall be changed to "natural resources and environmental protection cabinet," "bureau for environmental protection" shall be changed to "department for environmental protection," "bureau for natural resources" shall be changed to "department for natural resources," and "bureau for surface mining reclamation and enforcement" shall be changed to "department for surface mining reclamation and enforcement."

(4) "Department of transportation" to "transportation cabinet," "bureau of highways" to "department of highways," and "bureau of vehicle regulation" to "department of vehicle regulation."

(5) "Department for human resources" to "cabinet for human resources," "bureau for health services" to "department for health services," "bureau for manpower services" to "department for manpower services," "bureau for social insurance" to "department for social insurance," and "bureau for social services" to "department for social services."

Section 51. The following KRS sections are hereby repealed:

12.280 Spindletop Foundation.
42.015 Transfer of functions, powers and duties to department and secretary.
42.026 Bureau of computer services established — Organization — Duties.
42.028 Bureau of public properties established — Organization — Duties.
42.062 Definition for KRS 42.064 and 42.066.
42.064 Division of occupations and professions.
42.320 State clearinghouse functions for federal funds.
45.235 Social security appropriations not to lapse at end of first fiscal year of biennium.

Section 52. This Act conforms executive orders 80-457, 80-573, 80-592, 80-633, 80-725, 80-787, 81-112, 81-140, 81-287, 81-581 and 81-1028 in those aspects of those orders that pertain to the department of finance, the finance and administration cabinet, and their affiliated agencies.

The Committee on Appropriations and Revenue reported **HB 295**, **HB 475**, and **HB 724** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 295, AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1982, and, including any unappropriated surplus to the General Fund as of June 30, 1982, for the fiscal year beginning July 1, 1982, and ending June 30, 1983, and, including any unappropriated surplus to the General Fund as of June 30, 1983, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the following sums, or so much thereof as maybe necessary, for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 21, 42, and 45 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I listed as follows:

A. GOVERNMENT OPERATIONS

1. GOVERNOR

1982-83	$ 1,855,800
1983-84	$ 1,993,800

Included in the above appropriation in each year of the biennium is $18,000 for the Governor's contingent expense fund to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710.

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2. LIEUTENANT GOVERNOR

1982-83	$ 409,200
1983-84	$ 440,000

Included in the above appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's contingent expense fund to meet additional expenses associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710.

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3. SECRETARY OF STATE

a. General Operations

1982-83	$ 801,600
1983-84	$ 860,700

b. Restoration of Land Grant Books

1982-83	$ 40,000
1983-84	$ 44,000

TOTAL - SECRETARY OF STATE

1982-83	$ 841,600
1983-84	$ 904,700

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4. BOARD OF ELECTIONS

1982-83	$ 1,107,600
1983-84	$ 1,190,700

Included in the above appropriation is $745,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.105). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any expenses in excess of the above amounts shall be deemed a necessary governmental expense.

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5. TREASURY

1982-83	$ 1,107,400

1983-84 .... $ 1,190,400

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6. DEPARTMENT OF LAW

1982-83 .... $ 4,068,500
1983-84 .... $ 4,399,600

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7. AUDITOR OF PUBLIC ACCOUNTS

1982-83 .... $ 1,991,800
1983-84 .... $ 2,141,200

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

Any expenses incurred in the auditing of federal disaster relief funds shall be deemed a necessary governmental expense.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

8. CAPITAL PLAZA

1982-83 .... $ 1,345,400
1983-84 .... $ 1,371,500

The above appropriation shall be used for debt service for the Capital Plaza.

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9. COUNTY COSTS	1982-83	1983-84
a. Jailers' Fees	$9,500,000	$10,000,000
b. Base Court Revenue	5,437,600	5,437,600
c. Sheriffs' Fees	1,650,000	1,700,000
d. Jury Fund	3,400,000	3,500,000
e. Witnesses	65,000	65,000
f. Special Bailiffs	20,000	20,000
g. Board of Assessment Appeals	50,000	50,000
h. Fugitives from Justice	300,000	300,000
i. Sheriffs' Expense Allowance	432,000	432,000
j. Premium on Sheriffs' Bonds	175,000	175,000
k. County Clerks - Making Tax Bills	400,000	400,000

All county costs funded by the General Fund are deemed to be necessary governmental expenses and additional funds may be allotted from the General Fund surplus by the Secretary of the Finance and Administration Cabinet.

TOTAL - COUNTY COSTS

1982-83 .... $ 21,429,600
1983-84 .... $ 22,079,600

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10. FINANCE AND ADMINISTRATION CABINET

a. General Operations

1982-83 .... $ 20,841,800
1983-84 .... $ 22,194,500

Included in the above appropriation is $150,000 each fiscal year for payment to the city of Frankfort for the provision of fire and police protection and other services for state owned property in accordance with KRS 45.155. Also included $100,000 each fiscal year for an Automobile Liability Reimbursement program. Also included in the above appropriation for fiscal year 1983-84 is $250,000 to provide for gubernatorial transition in accordance with the provisions of KRS 11.260

Notwithstanding the provisions of KRS 18.330, a portion of the above appropriation may be used for the pro-rata cost of administering a merit system of personnel administration for the civil service of the Commonwealth for all departments, commissions, boards, or other agencies which receive support from the General Fund or Revolving Trust and Agency Funds. Said appropriations may also be used for special training programs for state employees approved by the Secretary of the Finance and Administration Cabinet.

Relative to merit hearings before the Personnel Board, the particular agency of which the complainant is or was an employee shall bear all of the administrative costs thereof whenever the Personnel Board rules in favor of the complainant, such as for example, but not limited to, the fees of court reporters, the printing or other reproduction expenses related to hearing transcripts, and other related matters. Relative to all appeals resulting from merit hearings of the Personnel Board, including appeals to the Circuit Court, Court of Appeals, or the Supreme Court, the particular agency of which the complainant in said hearing is or was an employee shall bear all of the costs thereof whenever the courts rule in favor of the complainant, chargeable to the Personnel Board, such as for example, but not limited to, legal fees and court costs and fees.

Included in the above appropriation is an amount not to exceed $25,000 in fiscal year 1982-83 for the payment of cash merit awards earned by state employees in accordance with the guidelines promulgated by the Department of Personnel for the Employee Suggestion System.

b. Local Government Economic Assistance Fund

1982-83	$ 49,250,000
1983-84	$ 71,600,000

The above appropriations are based on the official estimate of the Commissioner of Revenue of severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

c. Competitive Pay Structure Fund

1982-83	$ 7,000,000
1983-84	$ 23,000,000

Any portion of the above appropriation may be transferred to any major program area or agency of state government for the purpose of meeting salary and benefit improvements identified and recommended by the Department of Personnel to the Office for Policy and Management. All recommendations for salary and benefit adjustment shall be submitted by the Department of Personnel to the Office for Policy and Management prior to the beginning of each fiscal year.

The intent of the Competitive Pay Structure is that priority for salary improvements be given to those state employees whose salaries are less than comparable salaries earned in the external labor market for similar jobs. External labor market salary levels shall be identified through salary surveys of labor markets relevant to the Commonwealth as an employer. No funds shall be used for non-merit director/commissioner positions and above. Notice of the transfers of these funds shall be reported quarterly during each fiscal year to the Legislative Research Commission.

d. Area Development Fund

1982-83	$ 3,000,000
1983-84	$ 3,000,000

Notwithstanding the provisions of KRS 45.045(2), funds expensed for the Area Development Fund shall be limited to these amounts.

Any unexpended balance at the close of fiscal year 1982-83 and fiscal year 1983-84 shall not lapse but shall carry forward to the next fiscal year.

e. State Planning Fund

1982-83	$ 2,000,000
1983-84	$ 2,000,000

Any portion of the above appropriation for the State Planning Fund may be transferred to other major program areas or agencies of state government for the purpose of funding planning activities approved by the State Planning Committee. Any unexpended balance remaining at the close of the 1982-83 fiscal year shall lapse to the credit of the General Fund.

f. Kentucky Center for the Arts - Debt Service

1983-84	$ 2,935,000

TOTAL - FINANCE AND ADMINISTRATION CABINET

1982-83	$ 82,091,800
1983-84	$124,729,500

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11. GENERAL OBLIGATION BONDS

a. Park Bonds

1982-83	$ 558,500
1983-84	$ 553,000

b. Veterans Bonus Bonds

1982-83	$ 7,843,000
1983-84	$ 7,847,000

c. 1965 General Purpose Bonds

1982-83	$ 2,047,000
1983-84	$ 2,053,000

TOTAL - GENERAL OBLIGATION BONDS

1982-83	$ 10,448,500
1983-84	$ 10,453,000

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12. DEPARTMENT OF MILITARY AFFAIRS

1982-83	$ 5,508,900
1983-84	$ 5,963,500

Included in the above appropriation is $356,500 in fiscal year 1982-83 and $383,200 in fiscal year 1983-84 for the Kentucky Early Warning System (KEWS) operation.

Also, included in the above appropriation is $150,000 in fiscal year 1982-83 and $161,200 in fiscal year 1983-84 for emergency expenses incurred by the Division of Disaster and Emergency Services for disasters and emergencies. These funds may only be expended at the recommendation of the Adjutant General to the Governor.

Any expenditures of funds as a result of the governor's call of the Kentucky National Guard to active duty is hereby declared to be a necessary governmental expense provided, however, that an emergency situation shall have been directed to exist by the Governor.

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13. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Kentucky Athletic Commission

1982-83	$ 56,800
1983-84	$ 60,400

b. Board of Proprietary Education

1982-83	$ 9,400
1983-84	$ 10,100

The functions and appropriations of the agency are transferred within the Finance and Administration Cabinet under the Division of Occupations and Professions.

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

1982-83	$ 66,200
1983-84	$ 70,500

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14. DEPARTMENT OF REVENUE

1982-83	$ 29,360,900
1983-84	$ 31,412,900

Included in the above appropriation is $9,565,900 in fiscal year 1982-83 and $10,283,200 in fiscal year 1983-84 for property valuation administrators; any expenses in excess of these amounts for property valuation administrators shall be deemed necessary governmental expenses.

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15. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83	$ 42,600
1983-84	$ 58,400

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16. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth Attorneys

1982-83	$ 6,770,100
1983-84	$ 7,277,900

b. County Attorneys

1982-83	$ 7,174,400
1983-84	$ 7,692,900

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

1982-83	$ 13,944,500
1983-84	$ 14,970,800

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17. KENTUCKY HORSE COUNCIL

1982-83	$ 21,800

1983-84 .... $ 73,400

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18. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

a. Board of Claims Awards

1982-83 .... $ 100,000
1983-84 .... $ 100,000

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

1982-83 .... $ 200,000
1983-84 .... $ 200,000

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of $5,500,000 in any fiscal year.

c. Prior Year Claims

1982-83 .... $ 500,000
1983-84 .... $ 500,000

d. Unredeemed Checks Refunded

1982-83 .... $ 33,000
1983-84 .... $ 33,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

e. Blanket Employees Bonds

1982-83 .... $ 49,000
1983-84 .... $ 49,000

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

f. Frankfort Planning Commission

1982-83 .... $ 1,000
1983-84 .... $ 1,000

g. Frankfort Cemetery

1982-83 .... $ 2,500
1983-84 .... $ 2,500

h. Public Improvements

1982-83 .... $ 5,000
1983-84 .... $ 5,000

Funds are appropriated for paying assessments for public improvements against property owned by the State, and for which said assessments the State is deemed to be liable.

i. Police and Firemen - Life Insurance

1982-83 .... $ 50,000
1983-84 .... $ 50,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

j. Workers' Compensation

1982-83 .... $ 120,000
1983-84 .... $ 120,000

Fee officers in counties over 75,000 in population.

k. Master Commissioners - Employers Retirement

1982-83 .... $ 63,000
1983-84 .... $ 63,000

l. Master Commissioners - Social Security

1982-83 .... $ 58,000
1983-84 .... $ 58,000

m. Money Refunded

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General.

TOTAL - APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1982-83	$ 1,181,500
1983-84	$ 1,181,500

All items included within the Appropriations Not Otherwise Classified category shall be deemed necessary governmental expenses, and any expenditure over the above amounts is to be paid from the General Fund Surplus.

19. SECRETARY OF THE CABINET

1982-83	$ 238,000
1983-84	$ 255,600

TOTAL - GOVERNMENT OPERATIONS

1982-83	$177,061,600
1983-84	$224,880,600

B. COMMERCE

20. DEPARTMENT OF PARKS

1982-83	$ 14,431,200
1983-84	$ 15,512,900

Included in the above appropriation is $1,500,000 in fiscal year 1982-83 and $1,500,000 in fiscal year 1983-84 for debt service payments.

21. BREAKS INTERSTATE PARK COMMISSION

1982-83	$ 143,700
1983-84	$ 154,500

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

22. DEPARTMENT OF THE ARTS

a. General Operations

1982-83	$ 1,724,800
1983-84	$ 1,725,600

b. Challenge Grants

1982-83	$ 1,100,000
1983-84	$ 1,300,000

To be distributed to local arts fund raising organizations in accordance with regulations promulgated by the Kentucky Arts Council up to a matching incentive of 28 percent of their total contributed income in fiscal year 1982-83 and 33 ⅓ percent in fiscal year 1983-84.

TOTAL - DEPARTMENT OF THE ARTS

1982-83	$ 2,824,800
1983-84	$ 3,025,600

23. KENTUCKY HORSE PARK

1982-83	$ 1,479,000
1983-84	$ 1,773,100

Included in the above appropriation is $1,113,300 in fiscal year 1982-83 and $1,312,500 in fiscal year 1983-84 for debt service payments.

24. DEPARTMENT OF COMMERCE

1982-83	$ 12,142,500
1983-84	$ 15,752,800

Included in the above appropriation is $3,000,000 in fiscal year 1982-83 and $6,000,000 in fiscal year 1983-84 for debt service payments on the Economic Development Bond projects.

25. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1982-83	$ 2,000,000

1983-84	$ 6,000,000

Included in the above appropriation is up to $6,000,000 for fiscal year 1983-84 which may be used for debt service for the Kentucky Development Finance Authority Loan program.

26. DEPARTMENT FOR COMMUNITY AND REGIONAL DEVELOPMENT

1982-83	$ 3,514,200
1983-84	$ 3,728,600

TOTAL - COMMERCE

1982-83	$ 36,535,400
1983-84	$ 45,947,500

C. CORRECTIONS

27. CORRECTIONS

1982-83	$ 51,414,700
1983-84	$ 55,113,300

Included in the above appropriation is $3,100,000 each fiscal year of the biennium for debt service.

TOTAL - CORRECTIONS

1982-83	$ 51,414,700
1983-84	$ 55,113,300

D. EDUCATION AND HUMANITIES

28. OFFICE OF THE SECRETARY

1982-83	$ 120,000
1983-84	$ 129,000

29. DEPARTMENT OF EDUCATION

a. General Administration

1982-83	$ 10,739,900
1983-84	$ 11,594,400

Included in the above appropriation is $836,000 in fiscal year 1982-83 and $898,700 in fiscal year 1983-84 to match federal dollars for the Adult Education program in accordance with federal regulations; $350,000 in each year of the biennium for student testing; and $4,302,700 in fiscal year 1982-83 and $4,625,400 in fiscal year 1983-84 earmarked as state matching funds for the School Lunch Assistance program in accordance with federal regulations. Also included is $131,700 in fiscal year 1982-83 and $133,300 in fiscal year 1983-84 for debt service, and $2,280,500 in fiscal year 1982-83 and $2,585,800 in fiscal year 1983-84 for maintenance of facilities and building insurance costs. The amounts herein identified shall be expended for these purposes and no others. Any surplus shall lapse to the General Fund.

b. Local District Health and Life Insurance

1982-83	$ 30,159,700
1983-84	$ 39,706,500

Included in the above appropriation is $481,700 in fiscal year 1982-83 and $487,500 in fiscal year 1983-84 to provide life insurance to each full-time certified and non-certified employe of local boards of education. Also included in the above appropriation is $29,552,300 in fiscal year 1982-83 and $39,088,900 in fiscal year 1983-84 to purchase medical insurance for certified and noncertified full-time employes of local boards of education pursuant to applicable statutes and regulations. If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Finance and Administration Cabinet.

c. Education for Exceptional Children

1982-83	$ 7,710,600
1983-84	$ 8,636,000

Of the above appropriation, at least $6,294,000 in fiscal year 1982-83 and $7,113,200 in fiscal year 1983-84 is included for the Kentucky School for the Blind and the Kentucky School for the Deaf.

Also included in this appropriation is $320,000 in fiscal year 1983-84 for debt service for the addition to the classroom building at the Kentucky School for the Blind.

d. School Foundation Program

1982-83	$774,046,600
1983-84	$845,387,400

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

Funds appropriated to the School Foundation Program shall be allotted to school districts in accordance with KRS 157.310 through 157.430 and 157A.090, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. If funds appropriated to the School Foundation Program are insufficient to provide the amount of money required under KRS 157.390(6), allotments to local school districts shall be reduced in accordance with KRS 157.430.

The amount to be included for the 1982-83 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$16,450	$14,600	$12,750	$10,820	$9,890
4-9 years	18,290	16,450	14,600	10,820	9,890
10 years & over	19,960	18,110	16,260	10,820	9,890

Beginning with the school year 1983-84, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$17,590	$15,740	$13,890	$11,960	$11,030
4-9 years	19,430	17,590	15,740	11,960	11,030
10 years & over	21,100	19,250	17,400	11,960	11,030

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank for full time service during the regular school year or the allotment under KRS 157.390(2) shall be reduced by an amount equal to the amount by which the district failed to meet salary requirements, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board of Education shall certify such contention to the Department of Revenue. Said department shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Department of Revenue shall then certify its determination to the State Board of Education, and said Board shall accept such certified determination as final.

The State Board of Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1982-83 and 1983-84 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185 day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

The General Assembly acknowledges that included in the Finance Secretary's Order 82-96 is decreased funding for the School Foundation Program for school year 1981-82. One result of that appropriation reduction is that state funds are not provided for the cost of two (2) of the four (4) in-service days provided by KRS 158.070(3). The General Assembly hereby ratifies said funding reduction for school year 1981-82, but reestablishes funding for all four (4) in-service days for school years 1982-83 and 1983-84.

Local school district personnel who are employed beyond the regular school term of 185 days shall be so employed in accordance with the provisions of KRS 157.390(2)(a) and 702 KAR 1:020, except that for purposes of calculation of salary allotments under the Foundation Program, the number of days of employment beyond 185 days shall be limited to 25 days for all positions except superintendents, assistant superintendents, and finance officers.

The allotment of any school district classroom units, pursuant to KRS 157.360(1) shall not exceed the number of teachers employed by that school district.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1982-83	1983-84
Vocational Education	2,858	2,858
Exceptional Children	4,210	4,210
Kindergarten	681	856

Provided, however, that if the budgeted units in any category of classroom units — Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration — prove to be excessive, the surplus may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board of Education and the Secretary of the Finance and Administration Cabinet.

Kindergarten units shall be allotted in fiscal year 1982-83 and fiscal year 1983-84 on the basis of one for every two classes with 27 pupils in average daily attendance in each class. The above allotment of kindergarten units for school year 1983-84 contains sufficient units to provide for compulsory attendance in the kindergarten program.

The allotments of basic classroom units shall be made on the average daily attendance (ADA) for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions, notwithstanding the provisions of KRS 157.360(2): (a) an average daily attendance of nine and six-tenths (9.6) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each vocational education unit allotted, and (b) an average daily attendance of seven and two-tenths (7.2) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each exceptional children unit allotted.

The Superintendent of Public Instruction shall enforce the limited class size of 27 in each of grades one (1) through three (3) on a district-wide basis for each local school district.

Notwithstanding the provisions of KRS 157.360(7)(a), the total number of administrative and special instructional services (ASIS) units allotted under KRS 157.360(7) shall be the sum of basic units allotted and kindergarten units allotted divided by 8, plus the sum of vocational units allotted times 9.6 ADA and exceptional children allotted times 7.2 ADA divided by 216. Allotments for classroom units pursuant to KRS 157.360(7) shall only be for those personnel who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1982-84 biennium shall be determined by multiplying the number of classroom units by: $3,680 in the 1982-83 school year and $4,050 in the 1983-84 school year.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: $1,800 in the 1982-83 school year and $1,900 in the 1983-84 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal years 1982-83 and 1983-84 shall lapse to the General Fund except where provisions to the contrary are provided in this Act. No unexpended portions of the School Foundation Program fund shall be expended at any time for the purpose of KRS 156.610 through 156.650 except as identified in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase, of the total appropriation to the Foundation Program is subject to Part VI, General Provisions, Section 8, of this Act, and the provisions of KRS 45.160.

The total of the appropriations for the Foundation Program for fiscal year 1982-83 and fiscal year 1983-84 is an amount which is estimated to be sufficient to provide for the requirements of KRS 157.390(6) and this Act. The amount budgeted for instructional salaries in the appropriation for fiscal year 1983-84 includes $1,500,000 more than the amount estimated to be required for fiscal year 1983-84. These funds shall be used to offset the insufficient funding for salaries for fiscal year 1982-83, and shall be distributed the first month of fiscal year 1983-84. The Superintendent of Public Instruction shall take the steps necessary to ensure that these funds are distributed in accordance with this Act.

Included in this appropriation is $69,877,500 in fiscal year 1982-83 and $77,564,000 in fiscal year 1983-84 for the costs of transporting pupils to and from school. Calculations of the allotments of pupil transportation funds to school districts shall be made in accordance with KRS 157.370 and 157A.090, except that the total of the funds allotted under KRS 157.390(5) shall not exceed $69,877,500 in fiscal year 1982-83 and $77,564,000 in fiscal year 1983-84; provided, however, that these sums may be increased by any excess funds appropriated for the School Foundation Program, but no such increases shall exceed the total transportation cost calculated in accordance with KRS 157.370 and 157A.090, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

Included in the School Foundation Program appropriation is $1,785,400 in fiscal year 1982-83 and $1,964,000 in fiscal year 1983-84 for Vocational Transportation.

If the actual cost of the School Foundation Program exceeds the level of appropriated funds, any unexpended funds in other appropriations under Part I, Section D, Subsection 29 of this Act may be used to offset such expenditures, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

e. Power Equalization

1982-83	$ 32,550,000
1983-84	$ 34,177,500

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.575.

f. Instructional Services

1982-83	$ 3,931,200
1983-84	$ 4,132,300

Included in the above appropriation is at least $2,023,600 in fiscal year 1982-83 and $2,125,800 in fiscal year 1983-84 for the Gifted and Talented program.

g. Finance and Administration

1982-83	$ 20,157,900
1983-84	$ 19,514,500

Included in the above appropriation is $2,404,300 for fiscal year 1982-83 and $2,626,000 for fiscal year 1983-84 for reimbursements to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. The provisions of KRS 158.135 notwithstanding, funds to be expended for the Out-of-District Children program shall be limited to these amounts, and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

The above appropriation also includes $270,200 in fiscal year 1982-83 and $290,900 in fiscal year 1983-84 for school district audits; and $13,471,200 in fiscal year 1982-83 and $12,060,300 in fiscal year 1983-84 for the purchase of textbooks for grades kindergarten through twelve.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instructional materials, notwithstanding the provisions to the contrary in KRS 158.107.

Included in this appropriation is $200,000 in fiscal year 1982-83 and $410,000 in fiscal year 1983-84 for math and science scholarships. These scholarships shall be administered in accordance with regulations which shall be promulgated by the State Board of Education.

h. Vocational Education

1982-83	$ 39,453,100
1983-84	$ 42,641,500

Included in the above appropriation is at least $1,926,300 in fiscal year 1982-83 and $1,696,900 in fiscal year 1983-84 for equipment procurement and maintenance.

i. Rehabilitation Services

1982-83	$ 3,913,100
1983-84	$ 4,206,600

TOTAL - DEPARTMENT OF EDUCATION

1982-83	$ 922,662,100
1983-84	$1,009,996,700

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30. KENTUCKY EDUCATIONAL TELEVISION

1982-83	$ 6,069,000
1983-84	$ 6,448,200

Included in the above appropriation is $607,800 in fiscal year 1982-83 and $608,800 in fiscal year 1983-84 for debt service.

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31. HISTORICAL SOCIETY

1982-83	$ 1,352,200
1983-84	$ 1,447,900

32. LIBRARY AND ARCHIVES

1981-82	$ 125,000
1982-83	$ 7,143,300
1983-84	$ 8,135,400

The appropriation includes $900,000 in fiscal year 1982-83 and $1,450,000 in fiscal year 1983-84 for debt service payments for the new State Library and Archives Building.

The appropriation in fiscal year 1981-82 is for utilities and maintenance for the new building.

33. BUREAU FOR THE BLIND

1982-83	$ 1,014,500
1983-84	$ 1,090,600

Included in the above appropriation is $401,600 in fiscal year 1982-83 and $420,700 in fiscal year 1983-84 for Kentucky Industries for the Blind.

34. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 6,651,900
1983-84	$ 6,976,600

Funds are appropriated for the purpose of meeting the debt service requirements on bonds and bond anticipation notes previously issued or authorized by the Authority. No funds are appropriated for new school building projects in the 1982-84 biennium. Included in the appropriation is $90,900 in fiscal year 1982-83 and $97,600 in fiscal year 1983-84 for administration.

35. TEACHERS' RETIREMENT SYSTEM

1982-83	$103,888,300
1983-84	$120,113,100

Funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.710.

The above appropriation includes $2,124,000 in General Funds in fiscal year 1983-84 to partially fund the cost of a retiree benefit cost-of-living increase which will increase benefits on July 1, 1982, and July 1, 1983, by one percent for each year a teacher has been retired not to exceed five years. The Teachers' Retirement System is hereby authorized to finance the $2,800,000 cost in fiscal year 1982-83 and $3,576,000 of the total $5,700,000 cost in fiscal year 1983-84 with excess investment earnings (above the actuary's assumed rate) from the retired member reserves.

Notwithstanding the employer contribution rates and benefit improvements effective July 1, 1982 established under the provisions of KRS 161.540(3) and 161.620(1)(b), all service performed after July 1, 1941 and before January 1, 1984 shall be valued at two percent (2%) of the final average salary. For retirements effective January 1, 1984, and thereafter, the allowance for service performed after January 1, 1984, shall be valued at two and one half percent (2.5%) of the final average salary for all members not employed by a state university or college, and two percent (2%) of the final average salary for members employed by a state university or college. Prior to January 1, 1984, each member employee shall contribute to the retirement system seven and eighty-four hundreds percent (7.84%) of annual compensation, except where KRS provisions otherwise define employee contributions of members employed by a state university or college. After January 1, 1984, each member employee not employed by a state university or college shall contribute to the retirement system nine and thirty-two hundreds percent (9.32%) of annual compensation.

The above appropriation is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.710. In the event the above appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

36. COMMISSION ON HUMAN RIGHTS

1982-83	$ 995,400
1983-84	$ 1,061,700

37. COMMISSION ON WOMEN

1982-83	$ 123,800
1983-84	$ 132,900

TOTAL - EDUCATION AND HUMANITIES

1981-82	$ 125,000
1982-83	$ 1,050,020,500
1983-84	$ 1,155,532,100

E. ENERGY AND AGRICULTURE

38. DEPARTMENT OF ENERGY

a. General Operations

1982-83	$ 10,044,800
1983-84	$ 11,223,100

Included in the above appropriation are funds for the Kentucky Geological Survey.

b. Demonstration Trust Fund

1982-83	$ 3,850,000
1983-84	$ 4,063,800

TOTAL - DEPARTMENT OF ENERGY

1982-83	$ 13,894,800
1983-84	$ 15,286,900

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39. DEPARTMENT OF AGRICULTURE

1982-83	$ 5,790,800
1983-84	$ 6,225,100

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40. COUNCIL ON AGRICULTURE

1982-83	$ 1,879,400
1983-84	$ 2,012,800

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41. STATE FAIR BOARD

1982-83	$ 6,234,600
1983-84	$ 6,439,700

Included in the above appropriation is $6,148,400 in fiscal year 1982-83 and $6,347,000 in fiscal year 1983-84 for debt service on the Project 21 and the Project 26 bond issues.

TOTAL - ENERGY AND AGRICULTURE

1982-83	$ 27,799,600
1983-84	$ 29,964,500

F. HIGHER EDUCATION

42. COUNCIL ON HIGHER EDUCATION

a. Council Operations

1982-83	$ 4,648,700
1983-84	$ 5,993,600

b. University Operations

1982-83	$370,424,400
1983-84	$400,858,300

Included in the above appropriation is $24,440,300 in fiscal year 1982-83 and $25,335,100 in fiscal year 1983-84 for debt service.

TOTAL - COUNCIL ON HIGHER EDUCATION

1982-83	$375,073,100
1983-84	$406,851,900

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43. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 5,319,300
1983-84	$ 6,718,300

Included in the above appropriation is $2,202,000 for fiscal year 1982-83 and $2,867,100 for fiscal year 1983-84 for the State Student Incentive Grant Program. Also included is $3,117,300 for fiscal year 1982-83 and $3,851,200 for fiscal year 1983-84 for the Kentucky Tuition Grant Program.

TOTAL - HIGHER EDUCATION

1982-83	$380,392,400
1983-84	$413,570,200

G. HUMAN RESOURCES

44. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83 .... $ 30,665,700
1983-84 .... $ 33,036,300

In the event that any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the bureau, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet. Notwithstanding KRS 45.235, any unexpended balance not used for Public Assistance Benefits remaining at the close of the 1982-83 fiscal year shall lapse.

2. Benefits

1982-83 .... $195,046,600
1983-84 .... $218,329,400

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance.

No portion of this appropriation may be used for the costs of administration. In no instance shall the unexpended balance carried forward, as provided by KRS 45.235, or any portion thereof be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet.

All medical assistance vendor statements for services rendered as a result of bona fide claims for medical care may be paid in the fiscal year in which such statements are received by the paying agency.

b. Bureau for Manpower Services

1982-83 .... $ 626,300
1983-84 .... $ 673,200

c. Bureau for Health Services

1982-83 .... $100,440,700
1983-84 .... $108,337,500

Included in the above appropriation is $3,000,000 each fiscal year of the biennium for debt service. Also, included is at least $9,393,500 in fiscal year 1982-83 and at least $10,069,400 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with Regional Mental Health-Mental Retardation Boards.

No funds are included within the above appropriation for costs associated with the implementation of Chapter 254 of the 1980 Acts of the General Assembly, effective July 1, 1982.

d. Bureau for Social Services

1982-83 .... $ 38,016,800
1983-84 .... $ 41,552,400

No funds are included within the above appropriation for costs associated with the implementation of Chapter 280 of the 1980 Acts of the General Assembly, effective July 1, 1982.

e. Executive Policy Support

1982-83 .... $ 9,934,500
1983-84 .... $ 10,679,600

Included in the above appropriation is $2,803,300 in fiscal year 1982-83 and $2,794,900 in fiscal year 1983-84 for debt service.

TOTAL - HUMAN RESOURCES

1982-83 .... $374,730,600
1983-84 .... $412,608,400

H. JUSTICE

45. DEPARTMENT OF JUSTICE

a. Bureau of Training

1982-83	$ 7,947,900
1983-84	$ 8,548,700

Included in the above appropriation is $5,942,200 in fiscal year 1982-83 and $6,387,900 in fiscal year 1983-84 for the Kentucky Law Enforcement Foundation Program Fund. Under the provisions of the Kentucky Law Enforcement Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual salary from the law enforcement foundation program fund, to be paid to each officer in addition to his regular salary. The state supplement for each qualifying officer shall be a percentage of that portion of each officers annual base salary which does not exceed $20,000. The percentage shall be determined by the Department of Justice in accordance with available funding. The same percentage shall be utilized for all officers. Funding for educational incentive shall be suspended during the 1982-84 biennium for the purpose of review and evaluation.

b. Bureau of State Police

1982-83	$ 60,770,300
1983-84	$ 64,593,500

Any extraordinary expenditures of funds as a result of the Governor's call of the Kentucky State Police to extraordinary duty is hereby declared to be a necessary government expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

c. Office of Public Advocacy

1981-82	$ 713,300
1982-83	$ 5,230,700
1983-84	$ 5,726,200

d. Justice Administration

1982-83	$ 1,873,400
1983-84	$ 2,066,400

TOTAL - DEPARTMENT OF JUSTICE

1981-82	$ 713,300
1982-83	$ 75,822,300
1983-84	$ 80,934,800

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

46. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 6,364,100
1983-84	$ 6,841,400

Not less than $60,000 of the appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is deemed to be a necessary government expense by written order of the Governor upon certification by the Secretary of the Finance and Administration Cabinet as to the advisability of such expenditure.

b. Bureau for Environmental Protection

1982-83	$ 6,745,400
1983-84	$ 7,251,300

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83	$ 4,486,900
1983-84	$ 5,178,400

d. General Administration and Support

1982-83	$ 4,020,900
1983-84	$ 4,134,300

Included in the above appropriation is $1,165,300 in fiscal year 1982-83 and $1,252,700 in fiscal year 1983-84 for the maintenance and operation at the Maxey Flats Nuclear Waste Disposal Site.

TOTAL - DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,617,300
1983-84	$ 23,405,400

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47. ENVIRONMENTAL QUALITY COMMISSION

1982-83	$ 56,600
1983-84	$ 60,800

48. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 156,600
1983-84	$ 168,300

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,830,500
1983-84	$ 23,634,500

J. PUBLIC PROTECTION AND REGULATION

49. OFFICE OF THE SECRETARY

1982-83	$ 230,900
1983-84	$ 247,900

50. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83	$ 1,115,800
1983-84	$ 1,183,300

51. DEPARTMENT OF BANKING AND SECURITIES

1982-83	$ 2,000,700
1983-84	$ 2,150,800

Notwithstanding the provision of KRS 47.130, receipts collected by the Department shall be deposited to the credit of the General Fund.

52. BOARD OF TAX APPEALS

1981-82	$ 7,400
1982-83	$ 166,000
1983-84	$ 172,300

53. DEPARTMENT OF INSURANCE

1982-83	$ 1,735,300
1983-84	$ 1,833,200

54. DEPARTMENT OF LABOR

1982-83	$ 1,364,700
1983-84	$ 1,467,100

55. REGISTRY OF ELECTION FINANCE

1982-83	$ 252,600
1983-84	$ 252,700

56. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 5,084,500
1983-84	$ 5,408,200

57. PUBLIC SERVICE COMMISSION

1982-83	$ 3,129,300
1983-84	$ 3,448,300

58. KENTUCKY STATE RACING COMMISSION

1982-83	$ 367,600
1983-84	$ 392,200

59. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 438,300
1983-84	$ 469,300

60. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 5,649,900

1983-84	$ 6,073,600

Included in the above appropriation is $636,100 in fiscal year 1982-83 and $683,800 in fiscal year 1983-84 for the Fire Department Aid as prescribed by KRS 17.210 through KRS 17.270. Also included in the appropriation is $1,951,200 in fiscal year 1982-83 and $2,097,500 in fiscal year 1983-84 for the Professional Firefighters' Foundation Program Fund.

61. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1982-83	$ 732,800
1983-84	$ 787,800

TOTAL - PUBLIC PROTECTION AND REGULATION

1981-82	$ 7,400
1982-83	$ 22,268,400
1983-84	$ 23,886,700

K. TRANSPORTATION

62. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 1,510,000
1983-84	$ 1,609,200

Included in the above appropriation is $74,500 in fiscal year 1982-83 and $76,500 in fiscal year 1983-84 for debt service.

b. Rail Transportation

1982-83	$ 85,500
1983-84	$ 90,200

c. Public Transportation

1982-83	$ 733,900
1983-84	$ 810,300

d. General Administration and Support

1982-83	$ 511,500
1983-84	$ 545,900

e. Highways

1) Bureau of Vehicle Regulation

1982-83	$ 3,826,900
1983-84	$ 4,065,500

Included in the above appropriation is $2,948,600 in fiscal year 1982-83 and $3,012,600 in fiscal year 1983-84 to complete the implementation of the Automated Vehicle Information System.

TOTAL - TRANSPORTATION

1982-83	$ 6,667,800
1983-84	$ 7,121,100

TOTAL - EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1981-82	$ 845,700
1982-83	$2,224,543,800
1983-84	$2,473,193,700

PART II
TRUST AND AGENCY FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1984, all of the fees (which include fees for board and room, athletics, and student activities) and rental, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Trust and Revolving, or an Agency Fund out of which shall be established separate Trust and Revolving or Agency Fund accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, and 45.

In the event receipts received and credited to any Trust and Revolving or Agency Fund account during fiscal year 1982-83 or fiscal year 1983-84 and any balance forwarded to the credit of any such account from the previous year, exceed, by the sum of five percent (5%), the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all trust and agency funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Trust and Revolving or Agency Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Trust and Revolving or Agency Fund for such year, out of which has been established a Trust and Revolving or Agency Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and expenditure with amounts provided in the executive budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Committee on Appropriations and Revenue, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. SECRETARY OF STATE

Notwithstanding the provisions of KRS 118.610, 271A.625, KRS 271A.630, KRS 271A.635, and KRS 56.300; all the operating receipts from all activities of the office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

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2. BOARD OF ELECTIONS

1982-83	$ 88,100
1983-84	$ 53,100

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3. TREASURY

1982-83	$ 165,000
1983-84	$ 165,000

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4. DEPARTMENT OF LAW

1982-83	$ 1,598,400
1983-84	$ 1,543,500

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5. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 598,400
1983-84	$ 471,500

The Auditor of Public Accounts shall quarterly notify the Finance and Administration Cabinet of the status of the collection of fees charged for county audit work conducted, and the Finance and Administration Cabinet shall withhold any monies due any county government which is delinquent in payment of fees to the Auditor of Public Accounts for the term of one hundred and twenty (120) days until the Auditor of Public Accounts has received full payment from the county.

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6. CAPITAL PLAZA

1982-83	$ 2,221,400
1983-84	$ 2,188,800

The above funds include $1,870,600 in fiscal year 1982-83 and $1,842,500 in fiscal year 1983-84 for the payment of the debt service of the Capital Plaza.

7. FINANCE AND ADMINISTRATION CABINET

1982-83 .... $ 55,434,800
1983-84 .... $ 59,182,950

All funds received under any program of anti-recession or counter cyclical assistance enacted by the United States Congress are hereby appropriated to the Finance and Administration Cabinet to be used for the maintenance of basic services in and among the various agencies, cabinets, and departments of state government. Any portion of these funds may be transferred to other major program areas or agencies of state government for the purpose of continuing basic services; provided, however, that such transfers shall be used to reduce General Fund appropriations and shall not in any way increase the expenditure level authorized by the General Assembly.

8. DEPARTMENT OF MILITARY AFFAIRS

1982-83 .... $ 576,000
1983-84 .... $ 551,600

9. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1982-83	1983-84
a. Board of Accountancy	$199,100	$210,600
b. Board of Architects	$ 79,000	$ 82,500
c. Board of Auctioneers	$ 81,000	$ 86,600
d. Board of Barbers	$119,900	$120,900
e. Board of Chiropractic Examiners	$ 42,000	$ 42,000
f. Board of Dental Examiners	$193,500	$221,300
g. Board of Embalmers and Funeral Directors	$ 90,700	$102,000
h. Board of Engineers and Land Surveyors	$209,500	$223,100
i. Board of Hairdressers and Cosmetologists	$374,300	$425,500
j. Board of Hearing Aid Dealers	$ 9,500	$ 10,000
k. Board of Landscape Architecture	$ 8,400	$ 8,800
l. Board of Medical Licensure	$186,800	$206,500
m. Board of Nurses	$619,400	$653,000
n. Nursing Home Administrators Licensure Board	$ 42,000	$ 42,000
o. Board of Ophthalmic Dispensers	$ 9,800	$ 10,000
p. Board of Optometric Examiners	$ 37,100	$ 40,800
q. Board of Pharmacy	$224,100	$232,200
r. Board of Physical Therapy	$ 28,500	$ 28,500
s. Board of Podiatry	$ 3,000	$ 3,000
t. Board of Proprietary Education	$ 43,700	$ 44,400
u. Board of Psychology	$ 21,200	$ 22,300
v. Real Estate Commission		
1. Examination and Licensing	$352,700	$395,400
2. Real Estate Education Research and Recovery	$716,300	$735,600
w. Board of Social Workers	$ 37,100	$ 38,100
x. Board of Speech Pathologists and Audiologists	$ 8,800	$ 8,900
y. Board of Veterinary Examiners	$ 24,500	$ 24,500
z. Board of Watchmaking	$ 8,600	$ 8,600

10. COUNTY FEES

	1982-83	1983-84
Jefferson County	$7,501,000	$7,943,000
Kenton County	$1,753,000	$1,857,000
Campbell County	$1,073,000	$1,138,000
Fayette County	$4,738,000	$5,032,000
Daviess County	$1,165,000	$1,233,000
Pike County	$1,097,000	$1,168,000

County fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law to be paid, by the State, to these officials when their claims for fees have been presented to the Finance and Administration Cabinet in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet, and to pay the Fiscal Court of each of said counties twenty-five percent (25%) of said fees as required by KRS 64.350.

11. FINANCIAL DISCLOSURE REVIEW COMMISSION	
1982-83	$ 11,700
12. KENTUCKY HORSE COUNCIL	
1982-83	$ 16,400
1983-84	$ 17,500

B. COMMERCE

13. DEPARTMENT OF PARKS	
1982-83	$ 28,940,500
1983-84	$ 29,915,400
14. DEPARTMENT OF THE ARTS	
1982-83	$ 102,000
1983-84	$ 144,500
15. KENTUCKY HORSE PARK	
1982-83	$ 2,807,500
1983-84	$ 2,935,000
16. DEPARTMENT OF COMMERCE	
1982-83	$ 273,300
1983-84	$ 189,200
17. KENTUCKY DEVELOPMENT FINANCE AUTHORITY	
1982-83	$ 8,711,700
1983-84	$ 8,870,800
18. DEPARTMENT FOR COMMUNITY AND REGIONAL DEVELOPMENT	
1982-83	$ 4,140,900
1983-84	$ 4,379,700
19. FISH AND WILDLIFE	
1982-83	$ 14,907,800
1983-84	$ 16,439,200

C. CORRECTIONS

20. CORRECTIONS CABINET	
1982-83	$ 3,955,900
1983-84	$ 4,305,900

D. EDUCATION AND HUMANITIES

21. DEPARTMENT OF EDUCATION	
a. General Administration and Support	
1982-83	$ 1,849,500
1983-84	$ 1,866,300
b. Education for Exceptional Children	
1982-83	$ 1,000
1983-84	$ 1,000
c. Vocational Education	
1982-83	$ 16,835,400
1983-84	$ 17,189,500
22. KENTUCKY EDUCATIONAL TELEVISION	
1982-83	$ 305,000
1983-84	$ 305,000
23. HISTORICAL SOCIETY	
1982-83	$ 278,500
1983-84	$ 276,200

24. LIBRARY AND ARCHIVES

1982-83	$ 81,000
1983-84	$ 75,000

25. BUREAU FOR THE BLIND

1982-83	$ 1,103,000
1983-84	$ 1,167,200

26. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 179,000

27. COMMISSION ON WOMEN

1982-83	$ 2,400

E. ENERGY AND AGRICULTURE

28. DEPARTMENT OF ENERGY

a. General Operations

1982-83	$ 5,000
1983-84	$ 5,000

b. Demonstration Trust Fund

1982-83	$ 50,000
1983-84	$ 50,000

29. DEPARTMENT OF AGRICULTURE

1982-83	$ 584,700
1983-84	$ 500,400

30. COUNCIL ON AGRICULTURE

1982-83	$ 854,500
1983-84	$ 910,700

31. STATE FAIR BOARD

1982-83	$ 12,416,300
1983-84	$ 12,651,800

F. HIGHER EDUCATION

32. COUNCIL ON HIGHER EDUCATION

a. Council Operations

1982-83	$ 15,000

33. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 9,432,800
1983-84	$ 9,544,700

34. UNIVERSITY OF KENTUCKY

1982-83	$161,374,300
1983-84	$171,391,000

35. UNIVERSITY OF LOUISVILLE

1982-83	$ 59,012,200
1983-84	$ 62,606,200

36. EASTERN KENTUCKY UNIVERSITY

1982-83	$ 28,289,900
1983-84	$ 30,739,900

37. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 20,787,200
1983-84	$ 23,172,300

38. MOREHEAD STATE UNIVERSITY

1982-83	$ 13,460,500
1983-84	$ 14,528,700

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39. MURRAY STATE UNIVERSITY

1982-83	$ 16,145,000
1983-84	$ 17,454,500

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40. KENTUCKY STATE UNIVERSITY

1982-83	$ 3,676,500
1983-84	$ 3,676,500

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41. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 9,071,300
1983-84	$ 10,005,100

G. HUMAN RESOURCES

42. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Benefits

1982-83	$ 1,930,000
1983-84	$ 2,300,000

b. Bureau for Manpower Services

1982-83	$ 903,400
1983-84	$ 898,300

c. Bureau for Health Services

1982-83	$ 27,214,000
1983-84	$ 26,732,400

Included in the above appropriation is $2,778,200 in fiscal year 1982-83 and $2,640,200 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with Regional Mental Health-Mental Retardation Boards as replacement for the loss of Social Services (Title XX) Block Grant funds.

d. Bureau for Social Services

1982-83	$ 2,686,600
1983-84	$ 2,712,900

e. Executive Policy Support

1982-83	$ 6,880,000
1983-84	$ 6,979,600

H. JUSTICE

43. JUSTICE

a. Bureau of Training

1982-83	$ 20,000
1983-84	$ 20,000

b. Bureau of State Police

1982-83	$ 328,100
1983-84	$ 246,400

c. Office for Public Advocacy

1982-83	$ 49,000
1983-84	$ 51,000

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

44. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 707,600
1983-84	$ 688,000

b. Bureau for Environmental Protection

1982-83	$ 516,328
1983-84	$ 503,900

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83	$ 50,000
1983-84	$ 54,400

d. General Administration and Support

1982-83	$ 485,100
1983-84	$ 510,100

45. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 95,600
1983-84	$ 50,700

J. PUBLIC PROTECTION AND REGULATION

46. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83	$ 4,500
1983-84	$ 4,500

47. DEPARTMENT OF INSURANCE

1982-83	$ 1,164,000
1983-84	$ 1,239,000

48. DEPARTMENT OF LABOR

1982-83	$ 93,576,400
1983-84	$ 99,181,900

49. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 402,000
1983-84	$ 402,000

50. KENTUCKY STATE RACING COMMISSION

1982-83	$ 2,514,400
1983-84	$ 2,559,900

51. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 1,328,200
1983-84	$ 1,278,200

52. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 2,734,300
1983-84	$ 2,513,700

K. TRANSPORTATION

53. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 10,000
1983-84	$ 12,000

b. Highways

1982-83	$ 2,796,000
1983-84	$ 3,840,000

PART III
FEDERAL FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1982, Federal subventions, grants, contracts and other Federal funds received, income from investments and other miscellaneous Federal receipts received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Federal Fund out of which shall be established separate accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS chapter 12, 42, and 45.

In the event receipts received and credited to any Federal Fund account during fiscal year 1982-83 or fiscal year 1983-84, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed, by the sum of five percent, the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all Federal funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Federal Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Federal Fund for such year, out of which has been established a Federal Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures for the ensuing fiscal year, a comparison of any revised estimates with the amounts provided in the Executive Budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Appropriations and Revenue Committee, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. DEPARTMENT OF LAW

1982-83	$ 392,000
1983-84	$ 290,400

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2. DEPARTMENT OF MILITARY AFFAIRS

1982-83	$ 1,601,700
1983-84	$ 1,655,200

B. COMMERCE

3. DEPARTMENT OF THE ARTS

1982-83	$ 937,000
1983-84	$ 630,000

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4. DEPARTMENT OF COMMERCE

1982-83	$ 75,000
1983-84	$ 75,000

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5. DEPARTMENT FOR COMMUNITY AND REGIONAL DEVELOPMENT

1982-83	$ 1,912,300
1983-84	$ 1,898,300

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6. FISH AND WILDLIFE

1982-83	$ 2,554,200
1983-84	$ 1,624,200

C. CORRECTIONS

7. CORRECTIONS CABINET

1982-83	$ 18,900

D. EDUCATION AND HUMANITIES

8. DEPARTMENT OF EDUCATION

a. General Administration and Support		
	1982-83	$128,058,800
	1983-84	$124,575,400
b. Education for Exceptional Children		
	1982-83	$ 13,183,500
	1983-84	$ 10,538,300
c. Instructional Services		
	1982-83	$ 396,400
	1983-84	$ 399,300
d. Finance and Administration		
	1982-83	$ 1,410,800
	1983-84	$ 1,277,200
e. Vocational Education		
	1982-83	$ 13,590,300
	1983-84	$ 13,722,500
f. Rehabilitation Services		
	1982-83	$ 15,121,900
	1983-84	$ 15,122,600
9. LIBRARY AND ARCHIVES		
	1982-83	$ 1,032,500
	1983-84	$ 974,200
10. BUREAU FOR THE BLIND		
	1982-83	$ 1,953,100
	1983-84	$ 1,819,400
11. ADVISORY COUNCIL ON VOCATIONAL EDUCATION		
	1982-83	$ 125,900
	1983-84	$ 112,900

E. ENERGY AND AGRICULTURE

12. DEPARTMENT OF ENERGY		
	1982-83	$ 939,500
	1983-84	$ 786,200
13. DEPARTMENT OF AGRICULTURE		
	1982-83	$ 3,056,900
	1983-84	$ 2,821,200

F. HIGHER EDUCATION

14. COUNCIL ON HIGHER EDUCATION		
a. Council Operations		
	1982-83	$ 10,000
15. HIGHER EDUCATION ASSISTANCE AUTHORITY		
	1982-83	$ 1,237,400
	1983-84	$ 1,237,400
16. UNIVERSITY OF KENTUCKY		
	1982-83	$ 36,887,900
	1983-84	$ 36,887,900
17. UNIVERSITY OF LOUISVILLE		
	1982-83	$ 10,477,100
	1983-84	$ 11,105,800
18. EASTERN KENTUCKY UNIVERSITY		
	1982-83	$ 2,145,000
	1983-84	$ 2,145,000

19. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 2.117,500
1983-84	$ 2.318,400

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20. MOREHEAD STATE UNIVERSITY

1982-83	$ 1,530,300
1983-84	$ 1,530,300

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21. MURRAY STATE UNIVERSITY

1982-83	$ 3,800
1983-84	$ 3,800

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22. KENTUCKY STATE UNIVERSITY

1982-83	$ 3,808,900
1983-84	$ 3,808,900

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23. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 591,700
1983-84	$ 591,700

G. HUMAN RESOURCES

24. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83	$ 66,166,800
1983-84	$ 71,929,300

2. Benefits

1982-83	$627,528,300
1983-84	$653,985,600

b. Bureau for Manpower Services

1982-83	$ 51,495,100
1983-84	$ 51,007,800

c. Bureau for Health Services

1982-83	$ 44,199,000
1983-84	$ 46,442,200

d. Bureau for Social Services

1982-83	$ 61,695,100
1983-84	$ 62,258,800

The percentage share of Federal funds allocated through contract with Regional Mental Health-Mental Retardation Boards for fiscal years 1982-83 and 1983-84 for provision of social services under the Social Services Block Grant plan shall be no less than a 14.1 percent share of the amount of the block grant or $5,523,600, whichever amount is less.

e. Executive Policy Support

1982-83	$ 10,586,900
1983-84	$ 10,764,600

H. JUSTICE

25. JUSTICE

a. Office of Public Advocacy

1982-83	$ 193,400
1983-84	$ 141,100

b. Justice Administration

1982-83	$ 1,233,600
1983-84	$ 681,300

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

26. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 2,427,000
1983-84	$ 2,544,600

b. Bureau for Environmental Protection

1982-83	$ 4,708,100
1983-84	$ 3,940,100
c. Bureau for Surface Mining Reclamation and Enforcement	
1982-83	$ 11,993,700
1983-84	$ 12,276,500
d. General Administration and Support	
1982-83	$ 987,400
1983-84	$ 540,000
27. ENVIRONMENTAL QUALITY COMMISSION	
1982-83	$ 5,221
1983-84	$ 2,221
28. KENTUCKY NATURE PRESERVES COMMISSION	
1982-83	$ 17,500

J. PUBLIC PROTECTION AND REGULATION

29. DEPARTMENT OF LABOR	
1982-83	$ 2,212,500
1983-84	$ 2,366,800
30. DEPARTMENT OF MINES AND MINERALS	
1982-83	$ 750,000
1983-84	$ 750,000
31. PUBLIC SERVICE COMMISSION	
1982-83	$ 158,100
1983-84	$ 166,900
32. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION	
1982-83	$ 59,400
1983-84	$ 3,800

K. TRANSPORTATION

33. DEPARTMENT OF TRANSPORTATION	
a. Air Transportation	
1982-83	$ 2,511,600
1983-84	$ 2,511,600
b. Rail Transportation	
1982-83	$ 840,000
1983-84	$ 480,000
c. Public Transportation	
1982-83	$ 2,225,000
1983-84	$ 2,225,000
d. Highways	
1982-83	$201,767,700
1983-84	$212,500,200

PART IV
TRANSPORTATION FUND

Monies in the Transportation Fund are appropriated for use by the Department of Transportation in the activities, functions, and duties performed by it as prescribed by law. The Transportation Fund shall consist of all the state revenues realized from fees, taxes, and license fees levied for state road purposes authorized by law, and any additional or other revenues, grants, or funds, including any amount which may be received from Federal aid, bond funds, General Funds appropriated, or any other sources pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Transportation. Such receipts and revenues, and unappropriated surplus, together with any balance as of June 30, 1982, shall constitute the Transportation Fund for the fiscal years 1982-83 and 1983-84 respectively. An annual budget for each fiscal year shall be submitted by the Department of Transportation to the Finance and Administration Cabinet for approval by June 1, 1982, for fiscal year 1982-83 and by June 1, 1983, for fiscal year 1983-84. The budget shall be based upon the most current State Road Fund estimates and Surplus, estimates of contractual and noncontractual Federal aid, General Funds appropriated, and funds and fees from any other source.

In the event the State Road Fund estimates are revised during the biennium, the Department of Transportation shall submit its annual budget based upon the new estimates. These estimates are to be certified by the Commissioner of Revenue to the Secretary of the Finance and Administration Cabinet and upon the approval of the Governor, the Secretary of the Finance and Administration Cabinet shall make the appropriate increases or decreases to the Department of Transportation's annual budget. If the State Road Fund estimates are increased or decreased during a fiscal year the Department of Transportation shall request from the Finance and Administration Cabinet with approval of the Governor authority to increase or decrease its annual budget in accordance with Part VI, General Provisions, Section 8 of this Act.

Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $21,750,000 in fiscal year 1981-82, $42,750,000 in fiscal year 1982-83, and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

The following monies are appropriated from the State Road Fund.

A. TRANSPORTATION

1. DEPARTMENT OF TRANSPORTATION

a. General Administration

1982-83..$ 30,901,000
1983-84..$ 32,111,300

b. Highways

1. Bureau of Highways

1982-83..$422,476,200
1983-84..$446,060,700

a) Rural Highways

i. County Road Aid. For construction, reconstruction, improvement, and maintenance of county roads and bridges the designated portion of all revenue received pursuant to KRS 138.220 and 138.565 shall be expended in accordance with KRS 177.320(2). These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360.

ii. Rural Secondary Roads. For construction, reconstruction, and maintenance of rural and secondary roads, the designated portion of all revenue received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended in accordance with KRS 177.320. These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360. In addition, pursuant to the duties and responsibilities of county judge/executives associated with the administration of the local county road program, beginning January 1, 1978, the expense allowance for each county judge/executive shall be paid from the Transportation Fund. These expenses shall be paid from those appropriated funds for the rural secondary road revenue sharing program as provided in KRS 177.360 and KRS 67.

b) Municipal Aid. For the construction, reconstruction, and maintenance of urban roads, streets, and bridges, the designated amounts received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended and distributed in accordance with KRS 177.365 through 177.368.

c) Included in the above appropriation is $7,500,000 in fiscal year 1 982-83 and $15,000,000 in fiscal year 1983-84 for the debt service payments required for $150,000,000 in Ecomonic Development Road bonds to be issued in fiscal year 1982-82.

2. Bureau of Vehicle Regulation

1982-83..$ 3,332,800
1983-84..$ 3,078,000

TOTAL - HIGHWAYS

1982-83..$425,809,000
1983-84..$449,138,700

TOTAL - DEPARTMENT OF TRANSPORTATION

1982-83	$456,710.000
1983-84	$481,250,000

PART V
CAPITAL CONSTRUCTION FUND

Monies in the Capital Construction fund are appropriated for the following capital projects. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1982-84 biennium.

A. GOVERNMENT OPERATIONS

			1982-83	1983-84
1.		Capital Plaza		
	a.	Repair and Renovation of Facilities		
2.		Finance and Administration		
	a.	Emergency Repair, Maintenance, and Replacement Fund		
		Investment Income	2,250,000	2,250,000
	b.	Capital Construction and Equipment Purchase Contingency Fund		
		Investment Income	500,000	500,000
	c.	504 Handicapped Projects		
		Investment Income	250,000	250,000
	d.	Capital Complex		
		Investment Income	1,500,000	1,500,000
	e.	Central Control System Expansion		
	f.	Computer Equipment-Interest Payments		
		Investment Income	450,000	450,000
		Investment Income (1981-82—$1,155,000)		
	g.	Direct Access Storage Device - Disk Controller		
		Agency Fund	37,500	37,500
	h.	Direct Access Storage Device - Disk Drive		
		Agency Fund	32,500	32,500
	i.	Direct Access Storage Device - Disk Drive		
		Agency Fund	30,000	30,000
	j.	Direct Accress Storage Device - Disk Drive		
		Agency Fund	30,000	30,000
	k.	Direct Access Storage Device - Disk Drive		
		Agency Fund	30,000	30,000
	l.	Direct Access Storage Device - Disk Controller		
		Agency Fund	50,000	50,000
	m.	Direct Access Storage Device - Disk Drive		
		Agency Fund	25,000	25,000
	n.	Direct Access Storage Device - Disk Drive		
		Agency Fund	25,000	25,000
	o.	Laser Beam Printer		
		Agency Fund	84,000	84,000
	p.	Direct Access Storage Device - Disk Controller		
		Agency Fund	50,000	50,000
	q.	Direct Access Storage Device - Disk Drive		
		Agency Fund	65,000	65,000
	r.	Direct Access Storage Device - Disk Drive		
		Agency Fund	65,000	65,000
	s.	Direct Access Storage Device - Disk Drive		

		1982-83	1983-84
	Agency Fund	65,000	65,000
t.	Direct Access Storage Device - Disk Drive		
	Agency Fund	32,500	32,500
u.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
v.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
w.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
x.	Additional Memory (8 megabytes) 3033 System		
	Agency Fund	190,000	190,000
y.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
z.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
aa.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
bb.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
cc.	Processor-Mainframe		
	Agency Fund		450,000
dd.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
ee.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
ff.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
gg.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
hh.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
ii.	Direct Access Storage Device - Disk Drive		
	Agency Fund		25,000
jj.	Direct Access Storage Device - Disk Drive		
	Agency Fund		25,000
kk.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
ll.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
mm.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
nn.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
oo.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
pp.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
qq.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
3.	Military Affairs		
a.	Major Maintenance and Repairs		
	Investment Income	750,000	750,000
	Federal Fund	111,100	111,100
	TOTAL	861,100	861,100

			1982-83	1983-84
	b.	Bell Jet Ranger Rotor Replacement		
		Investment Income	35,000	
	c.	Armory Addition - Bowling Green		
	d.	United States Property and Fiscal Office Addition - Frankfort		
	e.	Organizational Maintenance Shop - Ashland		

B. COMMERCE

1.		Department of Commerce		
	a.	Economic Development Projects		
		Bond Fund	25,000,000	50,000,000
2.		Kentucky Development Finance Authority (KDFA)		
	a.	Kentucky Development Finance Authority Loan Program		
		Bond Fund	50,000,000	
3.		Department of Parks		
	a.	Miscellaneous Major Maintenance		
		Investment Income	500,000	500,000
	b.	Ben Hawes State Park: Pavilion		
4.		Department of Fish and Wildlife Resources		
	a.	Land Acquisition		
		Federal Fund	2,250,000	2,250,000
		Agency Fund	750,000	750,000
		TOTAL	3,000,000	3,000,000
	b.	Crawler Tractor		
		Federal Fund	48,750	
		Agency Fund	16,250	
		TOTAL	65,000	
	c.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	d.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	e.	Road Grader		
		Federal Fund	67,500	
		Agency Fund	22,500	
		TOTAL	90,000	
	f.	Combine		
		Federal Fund	41,250	
		Agency Fund	13,750	
		TOTAL	55,000	

C. CORRECTIONS

1. Luckett Correctional Institution Fifth Dorm
   Bond Fund (1981-82—$2,815,900)
2. Luckett Correctional Institution Vocational School
   Bond Fund (1981-82—$1,568,000)
3. Kentucky State Penitentiary Housing Unit and Storage Facility
   Bond Fund (1981-82—$6,141,000)
4. Kentucky State Reformatory Renovate Two Dorms
   Bond Fund (1981-82—$1,036,800)
5. Kentucky State Penitentiary Sewage Treatment
   Bond Fund (1981-82—$200,000)
6. Kentucky State Penitentiary Locking System—Phase 1
   Bond Fund (1981-82—$750,000)

		1982-83	1983-84
7.	Kentucky State Penitentiary Cellhouse Renovation		
	Bond Fund (1981-82—$1,200,000)		
8.	Kentucky State Reformatory Electrical System		
	Bond Fund (1981-82—$812,000)		
9.	Kentucky State Penitentiary Electrical Distribution System		
	Bond Fund (1981-82—$1,077,600)		
10.	Kentucky State Penitentiary Steam Loop		
	Bond Fund (1981-82—$300,000)		
11.	Kentucky State Reformatory Visiting Building		
	Bond Fund (1981-82—$267,300)		
12.	Kentucky State Penitentiary Electric Boiler Repair		
	Bond Fund (1981-82—$250,000)		
13.	Miscellaneous Projects		
	Bond Fund (1981-82—$357,200)		
14.	Kentucky State Reformatory Renovation of Two Additional Dormitories		
	Bond Fund (1981-82—$1,800,000)		
15.	Modular Housing Units		
	Bond Fund (1981-82—$1,325,000)		
16.	Kentucky State Penitentiary Phase II Locking System		
	Bond Fund (1981-82—$250,000)		
17.	Blackburn Correctional Complex Replacement of Boiler System		
	Bond Fund (1981-82—$1,790,000)		
18.	Miscellaneous Projects		
	Investment Income	500,000	500,000

D. EDUCATION AND THE HUMANITIES

		1982-83	1983-84
1.	School for the Blind		
	a. Classroom Building - Addition		
	Bond Fund (1981-82—$2,632,500)		
2.	Rehabilitation Services		
	a. Eastern Kentucky Rehabilitation Center-Roof and structural repairs		
	Investment Income	181,000	
	Federal Fund	669,000	
	TOTAL	850,000	
3.	Vocational Education		
	a. Daviess County State Vocational-Technical School-HV/AC and Related Structural Repairs		
	Investment Income	210,000	

E. ENERGY AND AGRICULTURE CABINET

		1982-83	1983-84
1.	Kentucky State Fair Board		
	a. Coliseum Facade and Related Improvements		
	Bond Fund	1,000,000	
	b. Greenhouse and Nursery		
	Agency Fund	250,000	
	c. New Graphics		
	Agency Fund	610,000	
	d. Replace Lighting Fixtures in Coliseum, West Wing and Pavilion		
	Agency Fund	1,000,000	
	e. New Ticket Control Facilities		
	Agency Fund	250,000	
	f. Major Maintenance and Repair Kentucky Fair and Exposition Center		

			1982-83	1983-84
		Agency Fund	500,000	500,000
	g.	Major Maintenance and Repair Commonwealth Convention Center		
		Agency Fund	150,000	150,000
	h.	Coliseum Roof Coating		
		Agency Fund	750,000	
	i.	Structural and General Repairs to Coliseum		
		Agency Fund	325,000	
	j.	Replace Stadium Roof		
		Agency Fund	350,000	
	k.	Resurface Parking Lots and Driveway		
		Agency Fund	500,000	500,000
	l.	Pave Former Speedway Area		
		Agency Fund	300,000	
	m.	Concert Staging for Freedom Hall		
		Agency Fund	100,000	
	n.	Street Sweeper		
		Agency Fund	70,000	

F. HIGHER EDUCATION

1.	Council on Higher Education			
	a.	Major Maintenance Fund		
		Investment Income	1,000,000	1,500,000
2.	Eastern Kentucky University			
	a.	Major Maintenance		
		Agency Fund	2,500,000	2,500,000
	b.	Donovan Building - Renovation		
		Agency Fund	524,000	
	c.	Academic Computer		
		Agency Fund	500,000	
	d.	Case Hall Renovation		
		Agency Fund	500,000	
	e.	Telephone System		
		Agency Fund	500,000	
	f.	Laboratory Mini Computer		
		Agency Fund	60,000	
	g.	Planetarium Electronic Control System		
		Agency Fund	110,000	
3.	Morehead State University			
	a.	Miscellaneous Maintenance		
		Agency Fund	450,000	450,000
	b.	Electric Cable Replacement		
		Agency Fund	357,000	
	c.	Laughlin Hall Roof Repair		
		Agency Fund	208,000	
	d.	Replacement of Steam Loop		
		Agency Fund	297,000	
	e.	Baird Music Hall Renovation		
		Agency Fund	114,950	
	f.	Interior Renovation of Button Auditorium, Phase II		
		Agency Fund	200,000	
	g.	Mays Hall Renovation		
		Agency Fund		1,280,000
	h.	Thompson Hall Renovation		
		Agency Fund		2,170,000
	i.	Telephone System		
		Agency Fund	240,000	240,000
	j.	Garbage Truck		
		Agency Fund		55,000

			1982-83	1983-84
	k.	Tour Bus		
		Agency Fund		150,000
	l.	Fire Truck		
		Agency Fund		175,000
		Local Fund		175,000
		TOTAL		350,000
4.		Murray State University		
	a.	Miscellaneous Campus Projects		
		Agency Fund	700,000	700,000
	b.	Waste Treatment Apparatus		
		Agency Fund	89,000	
	c.	Football Field Resurfacing		
		Agency Fund	500,000	
	d.	Wilson Hall Renovation		
		Agency Fund	2,200,000	
	e.	Former Laboratory School Renovation		
		Agency Fund	300,000	
	f.	Bulldozer		
		Agency Fund	85,000	
	g.	Front-End Loader		
		Agency Fund	52,000	
	h.	Computer System		
		Agency Fund	550,000	
5.		Northern Kentucky University		
	a.	Pedestrian Bridge		
		Agency Fund	125,000	
	b.	Engineering Study/Sewer Line Development		
		Agency Fund	50,000	
	c.	Academic Computer		
		Agency Fund	385,000	
	d.	Central Maintenance System - Student Housing		
		Agency Fund	290,000	
	e.	Central Maintenance System Emergency Phones		
		Agency Fund	95,000	
6.		Western Kentucky University		
	a.	Downing Center Roof Repair		
		Agency Fund	350,000	
	b.	Thompson Complex Roof Repair		
		Agency Fund	160,000	
	c.	Life Safety Projects		
		Agency Fund	500,000	
	d.	Major Maintenance and Repair Projects		
		Agency Fund		500,000
	e.	Gordon Wilson Hall Renovation		
		Agency Fund	207,500	
	f.	Thompson Complex — North Wing Renovation		
		Agency Fund		987,500
	g.	Alterations for Energy Conservation		
		Agency Fund		500,000
	h.	Computer Hardware		
		Agency Fund	360,000	
	i.	Video Tape Recorder		
		Agency Fund		70,000
7.		University of Louisville		
	a.	HPER/Multipurpose Building Planning		
		Agency Fund	400,000	
	b.	Speed School Renovation		

			1982-83	1983-84
		Agency Fund	1,000,000	
	c.	"K" Building Renovation		
		Agency Fund	1,500,000	
	d.	Natural Science Building Renovation		
		Agency Fund	500,000	
	e.	Radiation Center Renovation		
		Agency Fund		500,000
	f.	Carmichael School Renovation		
		Agency Fund		300,000
	g.	Reynolds Building Renovation		
		Agency Fund		1,200,000
	h.	Brook Street Repairs and Paving		
		Agency Fund	134,000	
	i.	Ultrasound Unit		
		Agency Fund	100,000	
	j.	Radiographic Room Equipment		
		Agency Fund	231,100	
	k.	Emergency Room Equipment		
		Agency Fund	100,000	
	l.	Portable X-Ray		
		Agency Fund	60,000	
	m.	Electron Microscope		
		Agency Fund	100,000	
	n.	Fourier Transform Infrared Spectrophotometer		
		Agency Fund	100,000	
	o.	Fourier Transform Nuclear Magnetic Resonance Spectrometer		
		Agency Fund	300,000	
	p.	Expansion of Energy Management System		
		Agency Fund	1,500,000	
	q.	Word Processing System (Business)		
		Agency Fund		70,000
	r.	Administrative Computer		
		Agency Fund	81,000	
	s.	Academic Computer		
		Agency Fund	75,000	
8.		University of Kentucky		
	a.	Poultry Research Unit		
	b.	Livestock Disease Diagnostic Center		
	c.	Southeast Community/College Technical/Building/Learning/Resources Center		
	d.	Elizabethtown Community College Learning Resource Center		
		Bond Fund	2,000,000	
	e.	Funkhouser Building Phase III Renovation		
		Agency Fund	800,000	
	f.	Journalism Building Renovation		
		Agency Fund	500,000	
	g.	McVey Hall Renovation Phase I		
		Agency Fund	600,000	
		Phase II		
		Agency Fund		1,600,000
	h.	Medical Center Auditorium Renovation		
		Agency Fund		225,000
	i.	Hospital - Sixth Floor North Renovation		
		Agency Fund		400,000
	j.	Hospital Planning		
		Agency Fund	500,000	1,000,000

		1982-83	1983-84
k.	Hospital Elevator		
	Agency Fund	800,000	
l.	Hospital Renovation		
	Agency Fund	600,000	600,000
m.	Parking Structure #3 (Parking/North Hospital)		
	Agency Fund		3,400,000
n.	MTS Model 815.03 Closed Loop Hydraulic System		
	Agency Fund	250,000	
o.	Vacuum Chamber Sorption Pump/Ion Pump Assembly		
	Agency Fund	65,000	
p.	High Resolution Mass Spectrometer		
	Agency Fund	390,000	
q.	Jeol 5-35 Scanning Electron Microscope		
	Agency Fund	92,000	
r.	Cambridge Quantinet - 900 Image Analysis System		
	Agency Fund	140,000	
s.	Hitachi H-600 Transmission Electron Microscope		
	Agency Fund	138,000	
t.	Thermo Vision System		
	Agency Fund		65,000
u.	HP Gas Chromatograph/Mass Spectrometer System		
	Agency Fund		91,000
v.	Microstructure Image Analysis System		
	Agency Fund		50,000
w.	Far-Infrared Fast Fourier Transform Spectrometer		
	Agency Fund		114,800
x.	KeV Electronic Microscope Equipment		
	Agency Fund		250,000
y.	Ultrasonic Image Analysis		
	Agency Fund		143,100
z.	X-Ray Diffractometer		
	Agency Fund		116,000
aa.	Hardware for University Hospital Management System		
	Agency Fund	250,000	
bb.	Library Automated Circulation System		
	Agency Fund	320,000	
cc.	Administrative Minicomputer (CCS)		
	Agency Fund	150,000	
dd.	Replacement Computer for IBM 370/165		
	Agency Fund	1,600,000	
ee.	Graphics Minicomputer System (Computer Engineering Research Lab)		
	Federal Fund	213,400	
	Agency Fund	148,600	
	TOTAL	362,000	
ff.	Geological Survey Minicomputer		
	Federal Fund	160,000	
	Agency Fund	20,000	
	TOTAL	180,000	
gg.	Microprogrammable Minicomputer System		
	Federal Fund	45,500	
	Agency Fund	45,500	

		1982-83	1983-84
	TOTAL	91,000	
hh.	Clinical Lab Computer		
	Agency Fund		250,000
ii.	Upgrade Business Affairs Wang Computer		
	Agency Fund		121,000
jj.	College of Medicine Minicomputer		
	Agency Fund		300,000
kk.	Agriculture Minicomputer		
	Agency Fund		500,000
ll.	PDP or VAX Minicomputer		
	Agency Fund		150,000
mm.	Upgrading DEC PDP 11/34 Computer		
	Agency Fund		130,000
nn.	Delta 2000 Computer System (Energy Management System)		
	Agency Fund		100,000
oo.	Stores Inventory System		
	Agency Fund		66,000
pp.	Word Processing Expansion		
	Agency Fund		300,000
qq.	Minicomputer (Student Records)		
	Agency Fund		200,000
rr.	Graphics Lab		
	Agency Fund		80,000
ss.	Upgrading HP 100 Computer Department of Physics		
	Agency Fund		83,000
tt.	Microcomputer		
	Agency Fund		226,200
uu.	VPR 2-B Television Tape Recorders (3)		
	Agency Fund	260,000	
vv.	Remote Television Production Package		
	Agency Fund	200,000	
ww.	Diagnostic X-Ray Equipment		
	Agency Fund	1,200,000	
xx.	Time and Attendance Recording System — Dining Management		
	Agency Fund		68,000
yy.	Food Service Access ID System		
	Agency Fund		71,000
zz.	Graphics System		
	Federal Fund		104,000
	Agency Fund		26,000
	TOTAL		130,000
aaa.	Journalism Editing/Typesetting Equipment		
	Agency Fund		200,000
bbb.	Phototypesetter/Word Processor		
	Agency Fund		60,000

G. DEPARTMENT FOR HUMAN RESOURCES

1. Bureau for Health Services
   a. Eastern State Hospital - Renovation Wendell Building
      Bond Fund (1981-82—$5,157,600)
      Buildings #56, 57, 58
      Bond Fund (1981-82—$5,626,000)
   b. Central State Hospital-Replacement Facility
      Bond Fund (1981-82—$9,500,000)
   c. Hazelwood State Hospital-Ceiling Replacement

			1982-83	1983-84
	d.	Western State Hospital-Psychiatric Detention Center		
	e.	Western State Hospital-Boiler Replacement		
		Investment Income	300,000	
	f.	Eastern State Hospital-Roof Replacement		
		Investment Income		250,000
	g.	Central State Hospital-Fire Alarm System		
		Investment Income	125,000	100,000
	h.	Miscellaneous Projects		
		Investment Income	135,000	400,000
2.		Bureau for Social Services		
	a.	Danville Youth Development Center-Life Safety and HV/AC Upgrading		
		Investment Income	250,000	650,000
	b.	Danville Youth Development Center-Steamline Repair and Elimination		
		Investment Income	250,000	
	c.	Kentucky Children's Home - Roof Repair		
		Investment Income	189,200	
3.		Executive Policy Support		
	a.	Miscellaneous Projects		
		Agency Fund	1,305,300	435,000
	b.	Louisville Office Building - Repair and Refurbishment		
		Agency Fund	412,500	
	c.	Ashland Youth Development Center - Life Safety and Handicapped Access Codes		

H. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

		1982-83	1983-84
1.	Repair of State-Owned Dams		
	Investment Income	500,000	500,000

Those projects listed by title in this Act but for which no funds are shown are previously authorized projects for which there is sufficient funding available for completion in the absence of any additional funding in the 1982-84 biennium. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund. Those projects set forth under the sub-heading "higher education" are subject to the action and approval of the Council on Higher Education and subject to the approval of the Finance and Administration Cabinet. Furthermore, the Council on Higher Education shall develop and approve a higher education computer plan to be submitted to the Secretary of Finance and Administration Cabinet by July 1, 1982. The provisions of KRS 45.750 through 45.990 notwithstanding it is the intent of the General Assembly that capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between Regular Sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Construction and Equipment Purchase Oversight Committee receives prior notification.

Any funds remaining in projects no longer authorized on July 1, 1982, under the provisions of KRS 45.750 through 45.990 shall lapse to the Capital Construction Emergency Repair, Maintenance and Replacement Fund to be expended in accordance with the provisions of KRS 45.780. Notwithstanding the provisions of KRS 45.770, the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for projects which may be contemplated for future funding. Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance and Replacement Fund allotments.

Included in the above appropriation is an Economic Development bond authorization of $25,000,000 for fiscal year 1982-83 and $50,000,000 for fiscal year 1983-84. This funding is recommended for projects that are associated with economic development and will be identified during the 1982-84 biennium by the Secretary of the Commerce Cabinet. Examples of projects that may be included are riverports, parks, economic development, energy development and tourism. No bonds may be issued for these projects in the absence of prior consultation with the Capital Construction and Equipment Purchase Oversight Committee.

Also included in the above appropriation is a Kentucky Development Finance Authority Loan program bond authorization of $50,000,000 for fiscal year 1982-83. These bond proceeds will be utilized to make loans for manufacturing, agribusiness, and tourism projects and will be identified during the 1982-84 biennium by the Kentucky Development Finance Authority Board of Directors.

Inasmuch as the identification of specific projects in a variety of areas of the State Government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly, the provisions of KRS 45.750 through 45.990 notwithstanding, to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development Projects, Area Development Fund, Handicapped Access, and Fire and Life Safety.

All monies transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

If at end of any fiscal year the monies and securities to the credit of the State Fire and Tornado Insurance Fund exceed $2,000,000 and if conditions with respect to life and safety in state properties are such as not to require the expenditure of all excess funds for improvements to said conditions, then the Secretary of the Finance and Administration Cabinet, with the concurrence of the Commissioner of Insurance, shall transfer up to $1,300,000 in fiscal year 1982-83 and $1,300,000 in fiscal year 1983-84 of the amount of such excess not so required and may authorize its transfer to the Capital Construction Fund, for expenditure in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes.

PART VI
GENERAL PROVISIONS

1. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1982, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42 and 45 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet in accordance with the detailed estimates embodied in the Executive Budget 1982-84 and supporting work papers, as considered by the 1982 Regular Session and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the State and Federal Governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs.

4. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act, notwithstanding any provisions of the Kentucky Revised Statutes to the contrary, except as provided by Chapters 12, 42, 56, 152, 177 and 341 of the Kentucky Revised Statutes. All laws and portions of laws in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed.

5. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the Governor's budget proposal and is supported by appropriate work papers and other records pertaining thereto.

6. Any General Fund appropriation made herein in anticipation of a lack, loss, or reduction of Federal grants shall lapse to the General Fund to the extent such Federal funds otherwise become available.

7. To the extent that Federal monies become available to the Commonwealth under Title IV of Public Law 95-87, it is the intent of the General Assembly that these monies be appropriated to the Finance and Administration Cabinet to be used for nonrecurring projects in accordance with the intent of the Federal law.

8. Whereas, inasmuch as the finances of the Commonwealth cannot be ascertained with absolute certainty at this time, and since the actual needs of each officer, cabinet, department, board, commission, institution, agency, or other activity or subdivisions of state government can only be anticipated and not finally determined by the General Assembly, and since the total amount of revenue accruing to the General Fund and to the Transportation Fund and accruing from various fees or from Federal funds from which appropriations are made can only be anticipated as being produced through existing laws and those that may hereafter

be enacted, and recognizing the complex nature of the economy, it is the purpose and intention of this Act that the expenditures for each fiscal year shall not exceed the total financial resources accruing to any Fund, as defined in KRS Chapter 45, for the same fiscal year. As the conditions cannot be fully determined until after the adjournment of the 1982 General Assembly, and as the needs of each officer, cabinet, department, board, agency, commission, institution, subdivision, or activity of state government, together with the total financial resources accruing to the General Fund and the Transportation Fund cannot be fully determined at this time, it is the intention and purpose of this General Assembly that the Secretary of the Finance and Administration Cabinet, with the advice of the Commissioner of the Department of Revenue, upon approval of the Governor of the Commonwealth, is authorized, empowered, and directed to ascertain and determine the needs of each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity of state government and to ascertain the total financial resources anticipated to be accrued to the General Fund and the Transportation Fund of the Commonwealth, and upon the ascertainment and determination of said facts, he, the Secretary of the Finance and Administration Cabinet, in the manner set forth as provided by general law, is authorized, empowered, and directed by the General Assembly to prevent an overdraft or deficit in any fiscal year for which appropriations are herein made, by equitably reducing, according to needs, without discrimination, the appropriations herein made from the General Fund and Transportation Fund to each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity in state government, provided, however, that the power invested shall not permit any reduction of the appropriations of any officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity of state government that will actually impair the necessary constitutional functions of such agency or activity, the operations and functions of which are determined to be necessary constitutional functions of state government.

9. The Secretary of the Finance and Administration Cabinet shall cause the Office for Policy and Management to prepare a final budget document based upon the Executive Budget proposal as enacted by the 1982 General Assembly as well as other acts which provide appropriations for the 1982-84 biennium and based upon supporting documentation and records as considered by the 1982 General Assembly. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by major budget class and such other fiscal data and commentary considered necessary by the Office for Policy and Management for budget execution and oversight. Any amendments to the enacted budget approved by the Office for Policy and Management shall be communicated to the Interim Joint Appropriations and Revenue Committee.

10. It is the intent of the General Assembly that the Secretary of the Finance and Administration Cabinet shall be empowered and directed to transfer all funds appropriated to various agencies of state government in Part I of this Act for the operation and maintenance of the Kentucky Early Warning System (KEWS) to the Finance and Administration Cabinet to administer and manage the system.

11. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund.

12. Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $21,750,000 in fiscal year 1981-82, $42,750,000 in fiscal year 1982-83, and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

13. The General Assembly recognizes that during fiscal year 1980-81 and fiscal year 1981-82, the General Fund revenues of the Commonwealth were less than the estimates upon which appropriations for those fiscal years were made by Part I, Chapter 109, of the 1980 Acts of the General Assembly. The General Assembly acknowledges that as a result of shortfalls in the revenues during the biennium for which funds were appropriated by the 1980 General Assembly the Secretary of Finance as directed by Paragraph 8, Part VI, Chapter 109, of the 1980 Acts of the General Assembly and as authorized by KRS 45.160, took action to prevent an overdraft or deficit in the finances of the Commonwealth through the reduction of appropriations made by Part I, Chapter 109, of the 1980 Acts of the General Assembly, and by various other actions, all as set forth in and provided by Orders 81-151 and 82-96 of the Secretary of Finance, which Orders are permanent records of the Commonwealth, on file in the Office for Policy and Management.

It is the intent of the General Assembly herein to ratify and confirm the appropriation levels appearing in Orders 81-151 and 82-96 of the Secretary of Finance as the General Fund appropriations for fiscal year 1980-81 and fiscal year 1981-82, respectively, for the offices, boards, commissions, institutions, subdivisions and agencies of the Government of the Commonwealth of Kentucky, except so much thereof as relates to the appropriation to the Local Government Economic Assistance Fund for fiscal year 1981-82, which sum shall be determined as provided by KRS 45.450; it is the further intent of the General Assembly herein, the provisions of any other law of the Commonwealth to the contrary notwithstanding, to ratify and confirm the advances, transfers and lapsing to the General Fund of all non-General Fund monies as identified in said Orders 81-151 and 82-96 of the Secretary of Finance, and to that end, the General Assembly hereby expressly ratifies, adopts, and enacts the appropriation levels contained in said Orders 81-151 and 82-96, including those provided for the Foundation Program as set forth and contained in KRS Chapters 157 and 157A and in Chapter 109 of the 1980 Acts of the General Assembly, as the appropriations for the offices, boards, commissions, institutions, subdivisions, and agencies of the Government of the Commonwealth for fiscal year 1980-81 and fiscal year 1981-82, and to the extent in conflict therewith the appropriation levels set forth in Part I, Chapter 109 of the 1980 Acts of the General Assembly shall be read as conforming to the levels of appropriation hereby enacted.

HB 475, AN ACT relating to appropriations for the operations, maintenance, support and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year beginning July 1, 1981 and ending June 30, 1982, and for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the following sums to be used for the purposes of the Judicial Branch of the government of the Commonwealth of Kentucky including the Supreme Court, Court of Appeals, Circuit Court, District Court, the Administrative Office of the Courts, Pretrial Services, Judicial Boards and Commissions, the State Law Library, Judicial Retirement, and for services performed by the Circuit Clerk offices, including both circuit and district court support:

1. Court of Justice
   a. To the Court of Justice, for Court Operation and Administration

1982-83	$ 47,924,423
1983-84	$ 51,526,453

The specific allocation of these funds shall be made by the Administrative Office of the Courts at the direction of the Chief Justice. $628,345 in fiscal year 1982-83 and $1,294,285 in fiscal year 1983-84 are included for an amendment to KRS 64.485; $273,480 in fiscal year 1982-83 and $295,780 in fiscal year 1983-84 are included for an amendment to KRS 64.055; and $161,577 in fiscal year 1983-84 is included for amendments to KRS Chapter 23A. As to each of such amendments, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Chief Justice, the amount included shall be reduced accordingly.

   b. To the Court of Justice, for the Local Facility Fund

1981-82	$ 390,000
1982-83	$ 6,900,400
1983-84	$ 7,518,100

The specific allocation of these funds shall be made by the Court of Justice in accordance with KRS 26A.090 to 26A.120. $192,000 in fiscal year 1982-83 and $312,000 in fiscal year 1983-84 are included for an amendment to KRS 26A.090. As to each of such amendments, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Chief Justice, the amount included shall be reduced accordingly.

Total - Court of Justice

1981-82	$ 390,000
1982-83	$ 54,824,823
1983-84	$ 59,044,553

2. Judicial Form Retirement System

To the Board of Trustees of the Judicial Form Retirement System, for Funding and Operation of the Judicial Retirement Plan

1982-83	$ 2,367,400
1983-84	$ 2,382,350

Of these funds, $7,650 in fiscal year 1983-84 is included for amendments to KRS Chapter 23A; and $131,300 in fiscal year 1982-83 and $131,300 in fiscal year 1983-84 are included for amendments to KRS Chapter 21 to provide for post-retirement cost-of-living adjustments in benefits. As to each of such amendments, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Judicial Retirement Board, the amount included shall be reduced accordingly.

TOTAL - JUDICIAL BRANCH

1981-82	$ 390,000
1982-83	$ 57,192,223
1983-84	$ 61,426,903

PART II
TRUST AND AGENCY FUNDS

There is hereby appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, all receipts of the Court of Justice not otherwise disposed by law, and any unexpended balance remaining in the Court of Justice's existing Trust and Agency accounts at the close of the fiscal years ending June 30, 1982 and June 30, 1983.

In the event the Court of Justice receives receipts in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such trust and revolving or agency funds receipts for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains such variations from the anticipated amount.

Court of Justice

1982-83	$ 300
1983-84	$ 300

PART III
FEDERAL FUNDS

There is appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, Federal subvention, grants, contracts and other Federal funds received, income from investment and other miscellaneous Federal receipts received by the Court of Justice except as otherwise specifically provided, for the use and benefit of the Court of Justice for the purposes for which its fund is authorized, and any unexpended balance remaining in the Court of Justice's existing Federal accounts at the close of fiscal years ending June 30, 1982 and June 30, 1983. All funds received shall be deposited in the state treasury and credited to the proper federal fund account as provided by law.

In the event the Court of Justice receives monies in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such federal funds for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year with an accompanying statement which explains such variations from the anticipated amount.

Court of Justice

1982-83	$ 187,675
1983-84	$ 1

PART IV
GENERAL PROVISIONS

1. The Director of the Administrative Office of the Courts with the approval of the Chief Justice may expend any of the funds appropriated for Court Operation and Administration in any lawful manner and for any legal purpose which the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the Judicial Branch of government.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section,

any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the Courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Court of Justice shall not incur any obligation for any program against the General Fund appropriations contained herein unless such program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by appropriate work papers and other records pertaining thereto.

4. The Chief Justice shall cause the Director of the Administrative Office of the Courts to prepare a final budget document reflecting the 1982-84 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Department of Finance within forty-five (45) days of the adjournment of the 1982 Session of the General Assembly.

HB 724, AN ACT relating to general appropriations to the Legislative Research Commission for the operation, maintenance, support, and functioning of the Legislative Branch of government and its agencies of the Commonwealth of Kentucky and to the Board of Ethics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE
GENERAL FUND

Section 1. There is appropriated to the Legislative Research Commission out of the General Expenditure Fund for the fiscal year beginning July 1, 1982 and ending June 30, 1983; and for the fiscal year beginning July 1, 1983 and ending June 30, 1984 the following sums:

I. GENERAL ASSEMBLY

A. Legislative Services and Session Compensation.

1982-1983 .... $ 720,094
1983-1984 .... $ 3,552,355

Any unexpended balance remaining at the close of the 1982-83 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

B. Monthly Expenses and Retirement Contributions for Legislators.

1982-1983 .... $ 1,943,789
1983-1984 .... $ 1,593,491

The above sums include $79,500 for each of the fiscal years 1982-83 and 1983-84 to fund post-retirement cost-of-living adjustments in legislators retirement benefits, but the inclusion is conditioned on the enactment by the 1982 General Assembly of proposed legislation providing for such adjustments. If such legislation is enacted in such form that its funding cost, as actuarially determined, is less than the amounts above included, the amounts shall be reduced accordingly.

C. Interim Committees; Special Advisory Commissions and Study Committees.

1982-83 .... $ 945,152
1983-84 .... $ 716,108

Includes funds for operating expenses and staff services of interim joint and interim special subcommittees of the commission as provided for in KRS Chapter 7.110(5). Any unexpended balance remaining at the close of the 1982-1983 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

D. Electronic Data Processing.

1982-1983 .... $ 220,000
1983-1984 .... $ 220,000

Any unexpended balance remaining at the close of the 1982-1983 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

E. Legislative Interns.

1983-1984 .... $ 90,000

For the costs of maintaining the legislative intern program during the 1984 session of the General Assembly.

F. Facilities Improvements.

1982-1983 .... $ 125,000
1983-1984 .... $ 50,000

For the cost of improvements and equipment as may be required. Any unexpended balance remaining at the close of the 1982-1983 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

TOTAL GENERAL ASSEMBLY

1982-1983 .... $ 3,954,035

1983-1984	$ 6,221,954

II. LEGISLATIVE RESEARCH COMMISSION

1982-1983	$ 6,725,636
1983-1984	$ 7,293,947

Any unexpended balance remaining at the close of the 1982-1983 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

GRAND TOTAL LEGISLATIVE

1982-1983	$10,679,671
1983-1984	$13,515,901

PART TWO
TRUST AND AGENCY FUNDS

There is hereby appropriated to the Legislative Research Commission for the fiscal year ending June 30, 1983, and the fiscal year ending June 30, 1984, all the receipts from the sale of publications and administrative regulations, and any unexpended balance remaining in the commission's existing Trust and Agency account at the close of the fiscal year ending June 30, 1982.

PART THREE

The director of the Legislative Research Commission may expend any of the funds appropriated to the commission in any manner and for any purpose which the commission shall authorize or direct. This power shall include the power to transfer funds within accounts or between separate budget items of appropriation, and the power to use excess funds in any account or budget item for other expenditures as are authorized or directed by the commission. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the General Assembly or to the Legislative Research Commission.

PART FOUR

There is hereby appropriated to the board of ethics, established pursuant to KRS 6.690, $25,000 for fiscal year 1982-1983, and $25,000 for fiscal year 1983-1984. Any unexpended balance remaining at the close of the 1982-1983 fiscal year shall not lapse, but shall continue into the 1983-1984 fiscal year.

The Committee on Business Organizations and Professions reported **HB 369,** with Committee Substitute and Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 3 to the Committee Substitute to **HB 369** is as follows:

Amend printed copy of **HB 369,** page 10, line 25, after the numeral "(1)" by adding the following:

"*Members of any recognized allied health care profession licensed or unlicensed by the Commonwealth who render services that are like or similar to those actions and services falling within the scope of the descriptions, classifications or categories provided for in this chapter if such individuals have been chosen by and paid through an employer or insurance carrier and if the allied health professionals do not imply they are licensed as mental health counselors or as associate mental health counselors.*" and

By renumbering all subsequent subsections.

The Committee on Banking and Insurance reported **HB 6, HB 627, SB 38, SB 74, SB 96, SB 97** with Committee Amendment attached thereto, **SB 136, SB 203, SB 206,** and **SB 250** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 6, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.13-030 is amended to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;

2. To the conflagration and catastrophe hazards;

3. To a reasonable margin for underwriting profit and contingencies;

4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;

5. To past and prospective expenses both country wide and those specially applicable to this state;

6. To all other relevant factors within and outside this state; and

7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three-year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses;

(f) Notwithstanding other provisions in this section, motor vehicle insurance rates shall be determined solely on the basis of the driving record of the insured and factors such as age, sex, marital status, race, and place of residence shall not be used to determine motor vehicle insurance rates.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of KRS 304.13-030, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle.

HB 627, AN ACT relating to banks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.180 is amended to read as follows:

(1) Banks authorized under the laws of this state may, except as provided in subsection (2) of this section, exercise, only at their principal office, powers necessary to carry on the business of banking by discounting and negotiating notes, drafts, bills of exchange and other evidences of debt, and by purchasing bonds, receiving deposits and allowing interest thereon, buying and selling exchange, coin and bullion and lending money on personal or real security.

(2) Any corporation presently or hereafter engaged in the business of banking, and meeting the requirements of this subsection, may apply to the commissioner of banking and securities for permission to establish, within the city in which its principal office is located and, subject to the limitation hereinafter imposed, within the county in which its principal office is located a branch at which all of the powers conferred in subsection (1) of this section may be exercised. Before the commissioner of banking and securities shall approve or disapprove any application made under this subsection he shall ascertain and determine that the public convenience and advantage will be served and prompted thereby and that there is reasonable probability of the successful operation of such branch. No such branch shall be authorized or approved by the commissioner unless all of the following are complied with:

(a) No such corporation having a combined capital and surplus of less than $100,000 shall be permitted to establish any branch. Any corporation applying for permission to establish a branch shall be required to have a minimum combined capital and surplus for each branch applied for in accordance with the following table:

If the principal office is located in:

1. An unincorporated area or in a city of 7,999 population or less	$100,000
2. City with population of 8,000 to 19,999	$200,000
3. City with population of 19,999 and over one branch may be authorized for every $250,000 of capital and surplus.	

Said population is to be determined by the last census or any future census of the United States.

(b) [~~No such corporation shall be permitted to establish a branch in any incorporated city, other than in the city in which its principal office is located, in which there is an existing bank. Nor shall any such corporation be permitted to establish a branch in any unincorporated area within a radius of one (1) mile of an existing bank located in such unincorporated area. As used in this subsection, an "existing bank" shall mean the principal office of a bank as distinguished from a branch thereof.~~

~~(c)~~] The permission to open a branch shall lapse one year after the commissioner has rendered a final order, as defined in KRS 287.062, unless it shall have been opened and business actually begun in good faith. If, for reasons beyond the control of the applicant, the branch is not opened within this time period, permission to open the branch may, with the approval of the commissioner, be extended for whatever period of time he deems to be necessary.

(3) Any corporation which on January 1, 1966, was engaged in operating an agency or branch bank, may continue to retain and operate the same under the general banking laws, and the requirements set forth in this section in respect to capital shall not apply to any such existing agency or branch bank but only as to those agencies or branch banks which may be established in the future pursuant to the terms of this section.

(4) The provisions of this section shall not be construed to prohibit the merger of banks in the same county and the operation by the merged corporation of such banks, nor to prohibit the sale of any bank to, and the purchase thereof by, any other bank in the same county and the operation of such bank by the purchasing bank as a branch, provided the commissioner of banking and securities shall determine that the public convenience and necessity will be served by such operation, and provided further that, at the time of such merger or purchase, each of the banks involved shall have been in operation for a period of five (5) years or more.

(5) Any national banking association or any state bank member of the federal reserve system whose principal office is located in this state is hereby authorized to do all things and perform all acts which state banks are permitted to do or perform under this section, subject to the conditions and restrictions provided for banks as to exercise of such powers.

(6) When a branch or agency bank has once been established any operation thereof shall not be discontinued, and said branch or agency bank shall not be closed until after ninety (90) days notice in writing to the commissioner. In the discretion of the commissioner said branch or agency bank proposing to discontinue operation may be required to give notice of the date when such operation will cease.

Section 2. KRS 287.185 is amended to read as follows:

(1) No branch or principal office of any bank shall be moved from one location to another without the approval of the commissioner. Before the commissioner shall approve or disapprove any such change of location he shall ascertain and determine that the public convenience and advantage will be served and prompted thereby and that there is a reasonable probability of the successful operation of such branch or principal office at the new location.

(2) If a bank wishes to move its principal office from one location to another and retain its former principal office as a branch, the provisions of subsection (1) of this section shall be followed in regard to approval of the change of location. A final order by the commissioner approving or disapproving the change of location shall be deemed to constitute a similar approval or disapproval of the former principal office as a branch, and no further administrative proceedings shall be necessary. In no event shall the restrictions contained in KRS 287.180 as to where a branch may be located apply so as to prevent the approval of a former principal office as a branch in the manner provided for by this subsection.

[~~(3) If the location of a branch or principal office is changed in the manner provided by either subsection (1) or (2) of this section, and if the new location is to be outside the corporation limits of the city in which it was formerly located, such new location must comply with the restrictions set out in KRS 287.180(2)(b) in regard to where a branch may be located. If a branch or principal office was formerly located in an unincorporated area and the new branch or principal office is to be located more than one mile from the former branch or principal office, the restrictions set out in KRS 287.180(2)(b) as to where a branch may be located must also be complied with.~~]

SB 38, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.18-110 is amended to read as follows:

(1) Any group policy as defined in KRS 304.18-020 delivered or issued for delivery in this state which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3) months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given *by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect* [~~to the terminating employe at~~

~~the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or members, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided.

(3) Any group policy as defined in KRS 304.18-020 delivered or issued for delivery in this state which provides hospital or surgical benefits other than for specific diseases or accidental injury only, shall provide that if coverage terminates for any reason and if the individual has been continuously insured under a group policy and under any group policy it replaces for at least three months immediately preceding the termination of coverage, he shall be entitled to have issued to him by the insurer, without evidence of insurability, a health insurance policy on a form providing substantially similar benefits, which shall include the option to continue any existing maternity benefits, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong and to their ages and to the form and amount of insurance provided.

(4) The converted policy shall cover the person or member and his eligible dependents covered by the group policy on the date the group policy terminated. The effective date of any such converted policy shall be the date of termination of insurance under the group policy.

(5) The insurer shall not be required to issue a converted policy covering any person if such person is or could be covered by medicare (Title XVIII of the United States Social Security Act as added by the Social Security Amendments of 1965 or as later amended or superseded). Furthermore, the insurer shall not be required to issue a converted policy covering any person if (a) such person is covered for similar benefits by another hospital or surgical or medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program or (b) similar benefits are provided for, or available to, such person pursuant to, or in accordance with the requirements of, any statute, and the benefits provided or available under any of the sources referred to in (a) and (b) above for such person, together with the converted policy, would result in over insurance according to the insurer's standards relating to policies converted from group policies. A converted policy made available pursuant hereto shall provide substantially similar benefits but in no event be less than the minimum standards contained in KRS 304.18-120 if delivery of such converted policy is to be made in this state; and, if delivery of such converted policy is to be made elsewhere, it may be on such form as the insurer may then be offering for such conversion in the jurisdiction where such delivery is to be made and which provides substantially in compliance with that required by KRS 304.18-120.

(6) In the event coverage would be continued under the group policy on a person or member following his retirement prior to the time he is or could be covered by medicare, he may elect, in lieu of such continuation of group insurance, to have the same conversion rights as would apply had his insurance terminated at retirement by reason of termination of employment.

(7) The conversion privilege shall also be available: (a) to the surviving spouse, at the death of the person or member, with respect to the spouse and such children whose coverage under the group policy terminates by reason of the death of the person or member; or (b) to a child solely with respect to himself upon termination of his coverage by reason of operation of the limiting age of coverage under the group policy

while covered as a dependent thereunder; or (c) to a former spouse for himself and such children of whom he is awarded custody when coverage under the group policy terminates by reason of termination of dependency as defined in the group policy and resulting from an order dissolving the marriage entered by a court of competent jurisdiction.

(8) This section shall not apply to group major medical expense insurance which supplements basic hospital, medical and surgical coverage under one or more group policies, group contracts or group remittance contracts from which a converted policy or a continuation of coverage is available providing benefits equivalent to the minimum benefits for a converted policy under this section.

(9) If a person or member becomes entitled to obtain a converted policy pursuant to the foregoing provisions, and if such person or member has not been given written notice of the existence of the conversion privilege stated above, within thirty-one (31) days of termination of the group coverage, then in such event the person or member shall have an additional period within which to exercise the conversion privilege. This additional period shall expire fifteen (15) days after the person or member shall have been given said notice but in no event shall the additional period extend beyond sixty (60) days after the expiration of the thirty-one (31) day conversion period stated above. Written notice presented to the person or member or mailed by the policyholder to the last known address of the person or member or mailed by the insurer to the last known address of the person or member as furnished by the policyholder shall constitute the giving of notice for the purpose of this paragraph. If an additional period is allowed the person or member for exercise of the conversion privilege as provided herein, and if written application for the converted policy, accompanied by the first quarterly or semiannual or annual premium, is made after the expiration of the thirty-one (31) day conversion period stated above, but within the additional period allowed an employe or member in accordance with this paragraph, the effective date of the converted policy shall be the date of termination from the group.

Section 2. KRS 304.32-152 is amened to read as follows:

(1) Any group policy, group plan or group contract issued by a nonprofit corporation which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3) months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given *by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect* [~~to the terminating employe at the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided.

Section 3. KRS 304.38-192 is amended to read as follows:

(1) Any group policy, group plan, or group contract issued in this state by a health maintenance organization which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3) months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given

by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect [~~to the terminating employe at the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy of (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided.

SB 74, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.3-250 is amended to read as follows:

(1) Except as provided in KRS 304.3-260, no authorized insurer shall make, write, place or cause to be made or placed, any policy, duplicate policy or contract of insurance of any kind upon persons, property or risks resident, located or to be performed in this state, except through its duly appointed and licensed agents resident of this state, any one (1) of whom shall countersign the same.

(2) Where two (2) or more insurers jointly issue a single policy, the policy may be countersigned, on behalf of all insurers appearing thereon, by a licensed agent resident in this state of any one (1) such insurer.

(3) In any case where it is necessary to execute an emergency bond and a commissioned agent authorized to execute such bond is not present, a manager or other employe of the insurer having authority under a power of attorney may execute such bond in order to produce a valid contract between the insurer and the obligee; but the bond shall subsequently be countersigned by a resident commissioned agent, who shall make and retain an adequate office record of the transaction.

(4) Nothing contained in this section shall be construed as preventing the free and unlimited right to negotiate contracts by licensed nonresident agents or brokers outside this state, provided the policies, indorsements or evidence of such contracts covering properties or insurable interests in this state are countersigned by a resident agent of this state. Every such policy or contract shall be countersigned by a resident agent who is compensated on a commission basis, and shall not be countersigned by a salaried insurer employe, unless such employe is a regular salaried employe of a mutual insurer and is a licensed resident agent.

(5) On such business produced by a licensed nonresident agent, which is countersigned by a resident commissioned agent of this state, there shall be a division of the usual customary commission between the licensed nonresident producing agent and the resident countersigning commissioned agent which shall produce for the latter a commission of at least five per cent (5%) of the premium; but for countersigning casualty insurance policies and fidelity or surety bonds the resident commissioned agent shall not be paid more than fifty dollars ($50.00) or less than five dollars ($5.00) for countersigning any such policy or bond. Where the licensed nonresident agent or the insurer assuming the risk desires the resident commissioned agent to render additional services, then the compensation to the countersigning commissioned resident agent shall be a matter of contract between the parties in interest.

(6) By prior written authorization, filed with the department of insurance, any licensed agent resident of this state may delegate authority to countersign any policy of insurance to a regularly salaried employe of the insurer issuing such policy, provided such employe is also a licensed agent resident of this state and does not receive any commission by such delegation. Any person having authority to countersign a policy of insurance may instruct that his signature be affixed by facsimile or imprint of name, provided that no policy of insurance shall be countersigned in blank.

SB 96, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than *twenty-five thousand dollars ($25,000)* [~~ten thousand dollars ($10,000)~~] for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than *fifty thousand dollars ($50,000)* [~~twenty thousand dollars ($20,000)~~] for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than *ten thousand dollars ($10,000)* [~~five thousand dollars ($5,000)~~] for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; and

(d) Basic reparation benefits as defined in KRS 304.39-020(2).

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

SB 97, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 3, IS CREATED TO READ AS FOLLOWS:

A "combined stock and mutual" insurer is an incorporated insurer with capital divided into shares owned by its shareholders, but which is controlled by the votes both of its stockholders and of its participating policyholder members to the extent any such rights of membership are granted and specified in the insurer's policies or its articles of incorporation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 24, IS CREATED TO READ AS FOLLOWS:

(1) A domestic stock or mutual insurance company may amend its articles of incorporation so as to become a combined stock and mutual company; provided, that no such amendment shall deprive any stockholder or member or policyholder of the right, at any and all meetings of stockholders and members or policyholders held thereafter, to cast as many votes for directors as are provided by the articles of incorporation in force at the time of the adoption of such amendment, or by the law in force at such time. No such amendment shall be construed to change the identity of the corporation and it shall thereafter continue to be governed by the laws applicable thereto at the time of such amendment and as amended hereafter and not inconsistent with this subtitle, as well as those relating to the added characteristic of capital stock or mutuality which it shall have acquired by such amendment.

(2) The articles of incorporation of a combined stock and mutual insurance company may be amended in any respect provided by KRS Chapter 271A and this subtitle, in the manner therein provided. The articles of incorporation of a combined stock and mutual insurance company may also be amended

in respect to any matter which the original articles of incorporation of a combined stock and mutual insurance company might lawfully have contained, or so as to vest in its board of directors authority to make and alter bylaws subject to the power of the stockholders and members to change or repeal such bylaws, by the affirmative vote, at a regular meeting of stockholders and members or at a special meeting of stockholders and members called for that expressly stated purpose by the board of directors which shall first have proposed the amendment and declared it to be advisable, of:

(a) A majority of the total number of votes to which stockholders are entitled; and

(b) At least one-fifth (1/5) of the total number of votes to which participating policyholder members are entitled, provided the proposed amendment does not receive the negative vote of more than five percent (5%) of the total number of votes to which all participating policyholder members are entitled.

(3) The articles of incorporation of a combined stock and mutual insurance company may also be amended so as to increase or decrease its capital stock, or so as to change the number and par value of the shares of its capital stock, or so as to limit or deny to stockholders the preemptive right to subscribe to any or all shares of stock which may be authorized to be thereafter issued, by a majority vote of all its shares but without the vote of its members, at a regular meeting or at a special meeting of stockholders called for that expressly stated purpose by the board of directors which shall first have proposed the amendment and declared it to be advisable and not adverse to or in conflict with the rights and interests of the members, provided that if the proposed amendment is to increase or decrease the capital stock or to change the number of the shares of the capital stock, the resolution specifying the proposed amendment and the certificate of amendment shall expressly provide:

(a) That the stockholders holding all its shares shall, at all meetings, be entitled to the same number of total votes after the amendment is adopted as they were entitled to before the amendment; and

(b) That each stockholder shall, at all meetings, be entitled to a fraction of one (1) vote for each share of stock held by him, the numerator of which fraction shall be the number of shares outstanding before the first such amendment is adopted and the denominator of which fraction shall be the number of shares outstanding.

Section 3. KRS 304.3-070 is amended to read as follows:

(1) To qualify for and hold authority to transact insurance in this state, an insurer must be otherwise in compliance with this code and with its charter powers, and must be an incorporated stock or mutual insurer, *or a combined stock and mutual insurer,* or a reciprocal insurer, or Lloyd's plan insurer, of the same general type as may be formed as a domestic insurer under this code, except that:

(a) No foreign insurer shall be authorized to transact insurance in this state which does not maintain reserves as required by subtitle 6 as applicable to the kind or kinds of insurance transacted by such insurer, wherever transacted in the United States; or which transacts business anywhere in the United States on the assessment plan, or stipulated premium plan, or any similar plan.

(b) No insurer shall be authorized to transact a kind of insurance in this state unless duly authorized or qualified to transact such insurance in the state or country of its domicile.

(c) No insurer shall be authorized to transact in this state any kind of insurance which is not within the definition as set forth in subtitle 5.

(d) No such authority shall be granted or continued as to any insurer while in arrears to the state for fees, licenses, taxes, assessments, fines or penalties accrued on business previously transacted in this state.

(e) A combined stock and mutual insurer must maintain separate accounting for income, expense and surplus retention in a manner as provided by a regulation to be promulgated by the commissioner.

(2) In determining the solvency of or impairment to any foreign or alien insurer which is requesting the issuance or continuance of any certificate of authority to do business in this state, the commissioner may admit as assets only those items which would qualify as admitted assets for a domestic insurer similarly situated.

Section 4. KRS 304.24-010 is amended to read as follows:

(1) This subtitle shall apply only to domestic stock insurers, *domestic combined stock and mutual insurers,* and domestic mutual insurers transacting or proposing to transact insurance on the cash premium or legal reserve plan, except that KRS 304.24-160, 304.24-250, and 304.24-310 shall also apply to foreign and alien insurers.

(2) All provisions of this subtitle relating to stock companies and all such provisions relating to mutual companies shall, so far as applicable, relate to and govern combined stock and mutual companies and the rights of stockholders and participating policyholder members thereof.

Section 5. KRS 304.24-020 is amended to read as follows:

(1) A "stock" insurer is as defined in KRS 304.3-010.

(2) A "mutual" insurer is as defined in KRS 304.3-020.

(3) A "combined stock and mutual" insurer is as defined in Section 1 of this Act.

Section 6. KRS 304.24-030 is amended to read as follows:

Domestic stock, *combined stock and mutual, or* [~~and~~] mutual insurers shall be governed by the applicable provisions of the general statutes of this state relating to private corporations organized for profit, as such statutes are now or hereafter may be constituted, except where such general statutes are in conflict with the express provisions of this subtitle and the reasonable implications thereof, and in which case the provisions of this subtitle shall govern.

Section 7. KRS 304.24-040 is amended to read as follows:

(1) This section applies to stock, *combined stock and mutual, or* [~~and~~] mutual insurers hereafter incorporated in this state. Such an insurer may be formed for the purpose of transacting any kind or kinds of insurance, as well as annuity business.

(2) Incorporators. Three (3) or more individuals, none of whom is less than eighteen (18) years of age, may incorporate a stock insurer; ten (10) or more such individuals may incorporate a mutual insurer. At least a majority of the incorporators must be citizens of the United States. At least a majority of the incorporators must be residents of Kentucky.

(3) Articles. The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and such articles shall not be filed with the secretary of state until approved by the commissioner as provided in KRS 304.24-050, and the commissioner's approval has been stamped upon or otherwise attached to the articles. In addition to the applicable requirements of laws in this state governing the incorporation of business corporations generally:

(a) The name of the corporation, which shall be subject to KRS 304.3-010, shall contain the words "insurance company;" if a mutual, *or a combined stock and mutual,* the word "mutual" must be a part of the name.

(b) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(c) Each share of capital stock shall have a par value of not less than $1.00.

(d) If a mutual, *or a combined stock and mutual,* the articles of incorporation shall state the maximum contingent liability of its *participating policyholder* members, other than as to nonassessable policies, for payment of losses and expenses incurred. Such liability shall be as stated in the articles of incorporation, but shall not be less than one (1) or more than six (6) times the premium for member's policy at the annual premium rate for a term of one (1) year.

(e) The names and residence addresses of the incorporators.

(4) Unless otherwise provided in the articles of incorporation or an amendment thereto, each stockholder of a combined stock and mutual insurance company shall, at all meetings, be entitled to one (1) vote for each share of common stock held by him and each holder of a policy entitled to participate in profits or savings shall be a member and, as such, shall be entitled to vote on the same basis to which he would be entitled in a mutual company under KRS 304.24-210.

Section 8. KRS 304.24-310 is amended to read as follows:

(1) If provided for in its articles of incorporation or charter, *an* [~~a stock insurer or mutual~~] insurer may issue any or all of its policies or contracts with or without participation in profits, savings, unabsorbed portions of premiums, may classify policies issued and risks insured on a participating and nonparticipating basis, and subject to KRS 304.15-380, may determine the right to participate and the extent of participation of any class or classes of policies. Any such classification or determination shall be reasonable.

(2) A life insurer may issue both participating and nonparticipating policies or contracts, only if the right or absence of right to participate is reasonably related to the premium charged.

(3) No dividend, otherwise earned, shall be made contingent upon the payment of renewal premium on any policy or contract.

Committee Amendment No. 1 to **SB 97** is as follows:

Amend printed copy of **SB 97,** page 1, line 3, after the word "*mutual*" by inserting "*life*" before quotations

Page 1, line 12 after the word "*mutual*" by inserting "*life*"

Page 1, line 14, after the word "*mutual*" by inserting "*life*"

Page 2, line 12, after the word "*mutual*" by inserting "*life*"

Page 2, line 15, after the word "*mutual*" by inserting "*life*"

Page 3, line 8, after the word "*mutual*" by inserting "*life*"

Page 4, line 15, after the word "*mutual*" by inserting "*life*"

Page 5, line 12, after the word "*mutual*" by inserting "*life*"

Page 5, line 13, by adding an "*s*" to the word "*expense*"

Page 5, line 13, after the word "*expense*" by adding "*, assets, liabilities and surplus funds allocated between the "mutual" branch and the "stock" branch,*"

Page 5, line 13 by deleting "*and surplus retention*"

Page 5, line 15, after the period by adding the following language:

"The mutual" branch shall not invest any monies in equity securities of the "stock" branch, nor shall it loan any monies to the "stock" branch. The "stock" branch shall not loan any monies to the "mutual" branch.

(f) A life insurer in forming the "stock" branch or the "mutual" branch of a combined stock and mutual life insurer, must possess the capital funds required pursuant to KRS 304.3-120 for the stock branch, and must possess the surplus funds required under KRS 304.24-100 for the mutual branch. The commissioner of insurance shall not grant a certificate of authority to any life insurer to conduct its business as a combination stock and mutual life insurer, unless the aforesaid capitalization requirements are fulfilled.

Page 5, line 25, after the word "*mutual*" by inserting the word "*life*"

Page 6, line 8, after the word "*mutual*" by adding the word "*life*"

Page 6, line 17, after the word "*mutual*" by adding the word "*life*"

Page 6, line 21, after the word "*mutual*" by adding the word "*life*"

Page 8, line 9, after the word "*mutual*" by adding the word "*life*"

Page 8, line 22, after the word "*mutual*" by adding the word "*life*"

Page 9, line 6, by deleting "*an*" and removing strikethroughs and brackets around "a stock insurer or mutual"

Page 9, line 18, after the period by adding the following language: "*A combined stock and mutual life insurer shall only issue participating policies or contracts in its "mutual" branch, and shall only issue nonparticipating policies or contracts in its "stock" branch.*"

SB 136, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.20-040 is amended to read as follows:

(1) As used in this section:

(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or

2. Any other four-wheel motor vehicle with a load capacity of fifteen hundred (1500) pounds or less which is not used in the occupation, profession or business of the insured; provided, however, that this section shall not apply:

a. To any policy issued under an automobile assigned risk plan, or

b. To any policy insuring more than four automobiles, or

c. To any policy covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards.

(b) "Automobile liability insurance policy" includes only coverage for bodily injury and property damage liability, basic reparations benefits and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage.

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; provided, however, that any policy with a policy period or term of less than six (6) months shall for the purpose of this section be considered as if written for a policy period or term of six (6) months. Provided, further, that any policy written for a term longer than one (1) year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one (1) year, and such policy may be terminated at the expiration of any annual period upon giving twenty (20) days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section.

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any instalment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date*; or*

3. Fraud or material misrepresentation affecting the policy or fraud or material misrepresentation affecting the presentation of a claim.

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding one hundred dollars ($100) shall not be deemed a cancellation of the coverage or of the policy.

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) of this section applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation accompanied by the reason therefor shall be given. This subsection shall not apply to renewals.

(4) No insurer shall refuse to renew a policy of automobile insurance solely because of the age of the insured.

(5) No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least twenty (20) days' advance notice of its intention not to renew. This subsection shall not apply:

(a) If the insurer has manifested its willingness to renew; nor

(b) In case of nonpayment of premium. Provided, that, notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(6) Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation or nonrenewal to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(7) When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection (4) of this section applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew.

(8) The reason for nonrenewal or cancellation shall accompany or be included in the notice of nonrenewal or cancellation.

(9) There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employes, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation or nonrenewal, for any statement made by any of them in any written notice of cancellation or nonrenewal, or in any other communication, oral or written specifying the reasons for cancellation or nonrenewal, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

SB 203, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.24-390 is amended to read as follows:

(1) A domestic insurer may merge or consolidate with one or more domestic or foreign insurers, by complying with the applicable provisions of the statutes of this state governing the merger or consolidation of corporations formed for profit, but subject to subsections (2), [~~and~~] (3) *and (4)* of this section.

(2) No such merger or consolidation shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the commissioner and approved in writing by him after a hearing thereon. The commissioner shall give such approval within a reasonable time after such filing unless he finds such plan or agreement:

(a) Is contrary to law; or

(b) Inequitable to the stockholders or members of the insurers involved; or

(c) Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this state or elsewhere; or

(d) Would materially tend to lessen competition in the insurance business in this state or elsewhere as to the kinds of insurance involved, or would materially tend to create a monopoly as to such business; or

(e) Is subject to other material and reasonable objections.

(3) No director, officer, agent or employe of any insurer party to such merger or consolidation, or member of the family of such director, officer, agent, or employe, shall receive any fee, commission, compensation or other valuable consideration whatsoever for in any manner aiding, promoting or assisting therein except as set forth in such plan or agreement.

(4) *If members of an insurer are entitled to vote, two-thirds (⅔) of the votes cast by such members of such insurer, as are represented at the meeting in person or by proxy, is necessary for the approval of any such agreement or plan.*

(5) If the commissioner does not approve any such plan or agreement he shall so notify the insurer in writing specifying his reasons therefor.

SB 206, AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 290.020 is amended to read as follows:

(1) Any eight (8) residents of this state may apply to the commissioner for permission to organize a credit union. Persons organizing a credit union shall sign and acknowledge in duplicate articles of incorporation and shall enter into articles of agreement binding themselves to comply with its requirements and with all the laws, rules and regulations applicable to credit unions.

(2) The articles of incorporation shall contain:

(a) The name of the proposed credit union;

(b) A statement that incorporation is desired under this chapter;

(c) The par value of shares, which shall be five dollars ($5.00);

(d) The city in which the business office of the corporation is to be located; and

(e) The names and addresses of the subscribers to the articles of incorporation and a statement of the number of shares of stock subscribed by each.

(3) A credit union may change its place of business by giving notice to the commissioner.

Section 2. KRS 290.150 is amended to read as follows:

(1) The supervisory committee shall inspect the securities, cash and accounts of the corporation and supervise the acts of its officers, board of directors and credit committee. At any time, the supervisory committee, by a unanimous vote, may suspend the credit committee or any member thereof, the board of directors or any member thereof, or any officer elected by the board. By a majority vote the supervisory committee may call a meeting of the shareholders to consider any violation of this chapter or of the bylaws or any practice of the corporation which, in the opinion of the committee, is unsafe or unauthorized. Within seven (7) days after the suspension of any member of the board, committee or any officer, the supervisory committee shall cause notice to be given of a special meeting of all the members to take action relative to the suspension. The supervisory committee shall fill vacancies in their own number until the next meeting of the members. The fact of the intention to fill such vacancy shall be contained in the call for the meeting.

(2) The supervisory committee shall make, or cause to be made, at least *annually* [~~quarterly~~], an examination of the affairs of the credit union, including an audit of its books[~~, and shall make, or cause to~~

~~be made an annual audit~~] and a report to be submitted to the annual meeting of the credit union. The supervisory committee shall cause the passbooks and accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two (2) years.

Section 3. KRS 290.220 is amended to read as follows:

In addition to the manner provided in KRS 386.030, the capital, undivided profits, reserve fund and other assets of a credit union, to the extent such resources are not utilized for loans to members as provided in this chapter, may be invested in the following ways:

(1) They may be deposited to the credit of the corporation in state credit unions; state or national banks doing commercial banking; federal credit unions [~~operating in Kentucky;~~] and in savings and loan associations;

(2) Not more than ten per cent (10%) of the *shares* [~~capital stock~~] and reserve funds of a credit union may be invested in the *shares* [~~stock~~] of other credit unions, including federal credit unions [~~operating in Kentucky~~];

(3) They may be invested in:

(a) Bonds and other interest-bearing obligations of the federal government;

(b) Bonds, state warrants and other interest-bearing obligations of this state;

(c) Obligations issued separately or collectively by or for federal land banks, federal intermediate credit banks and banks for cooperatives under the Act of Congress known as the Farm Credit Act of 1971, 85 Stat. 583, 12 U.S.C. 2001 and amendments thereto;

(d) Bonds and obligations of the Home Owners' Loan Corporation;

(e) Notes and bonds secured by mortgage or trust deed insured by the federal housing administrator, obligations issued or insured by the federal housing administrator, and securities issued by national mortgage associations;

(f) In [~~capital~~] shares, obligations, or preferred stock issues of any agency or association organized either as a stock company, mutual association or membership corporation, provided the membership or stockholdings, as the case may be, of such agency or association are confined or restricted to credit unions or organizations of credit unions, and provided the purpose for which such agency or association is organized or designed to service or otherwise assist credit union operations;

(g) Loans to other credit unions, not to exceed twenty-five per cent (25%) of the capital and surplus of the lending credit union.

Section 4. KRS 290.230 is amended to read as follows:

(1) A credit union may make loans, including temporary loans, to its members for provident and productive purposes, and upon such security and terms as the bylaws provide. No loan shall be made to any member which causes such member to become indebted to the credit union in an aggregate amount, upon loans made to such member, which is [~~in excess of two hundred dollars ($200) or~~] ten per cent (10%) of the credit union's paid-in unimpaired capital and surplus[~~, whichever is greater, or in excess of five thousand dollars ($5,000) unless such excess over five thousand dollars ($5,000) is adequately secured. For the purposes of this section, an assignment of shares or the indorsement of a note shall be deemed security~~].

(2) A member who needs funds with which to purchase necessary supplies for current crops may receive a loan payable in periodic payments rather than fixed monthly instalments.

(3) No officer, member of the board of directors, or member of the credit or supervisory committee shall borrow more than the amount of his investment in the credit union, as represented by fully paid shares and accumulated dividends unless so authorized by the *bylaws of the credit union or* members of the credit union at an annual meeting, or at a special meeting called for such purpose, except that any director, or member of a credit committee or a supervisory committee may borrow up to the unsecured loan limit applicable to all members without authorization from the members. If an application for a loan is made by a member of the credit committee, then the supervisory committee shall appoint a substitute to act in the place of the prospective borrower in the consideration of such loan. No director, officer, or member of the credit or supervisory committee shall become an indorser for a borrower, unless so authorized *in the bylaws of the credit union or* by the members of the credit union at an annual meeting, or at a special meeting called for that purpose.

(4) A borrower may repay the whole or any part of his loan on any day that the office of the credit union is open for business.

(5) No officer or member of a committee shall knowingly permit or participate in making a loan of the funds of a credit union to a nonmember; the credit union may recover such illegal loan from the borrower, or from any officer or any member of a committee who knowingly committed or participated in the making thereof, or from all of them jointly.

(6) For failure by any member of a credit union to meet promptly his payments on loans when due, charges may be imposed upon the delinquent member as provided in the bylaws but any such charges shall not exceed five (5) cents for one dollar ($1) of each installment more than ten (10) days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars ($5) on any one installment.

Section 5. KRS 290.240 is amended to read as follows:

(1) *A credit union must, at the close of each fiscal year, establish and maintain reserves at least equal to the reserve requirements of the national credit union administration necessary to maintain deposit insurance.* [~~All entrance fees, transfer fees and charges shall, after the payment of the organization expenses, be known as reserve income, and shall be added to the reserve fund of the corporation.~~

~~(2) At the close of each fiscal year each credit union shall set apart to the reserve fund, 20 per cent of its net income accumulated during the year, until the reserve fund equals 10 per cent of outstanding loans or shares, whichever is greater. Thereafter, a sufficient portion of the annual net income shall be allocated to the reserve fund to maintain the reserve fund at 10 per cent of outstanding loans or shares, whichever is greater. Upon the recommendation of the board of directors, the members at an annual meeting may increase the proportion of net income to be set apart to the reserve fund.~~]

(2)[~~(3)~~] The reserve fund shall belong to the corporation and shall be held to meet contingencies, and shall not be distributed to the members except upon dissolution of the corporation.

Section 6. KRS 290.250 is amended to read as follows:

(1) At least annually and after provision for the required reserves, the board of directors may declare a dividend to be paid *to members of record* [~~from the remaining net earnings~~].

(2) *Interest or dividends paid by the credit union shall be considered an expense of the corporation.*

(3) The board of directors may authorize an interest refund to members of record in proportion to interest on loans paid by the member for the period preceding the interest refund date.

Section 7. KRS 290.290 is amended to read as follows:

(1) At any meeting specifically called to consider dissolution, *two-thirds (⅔) of the members who vote on the motion to dissolve may vote to dissolve the corporation and upon such vote shall signify their consent to such dissolution in writing. Absentee ballots shall be allowed if specifically authorized by the bylaws* [~~four-fifths (4/5) of the entire membership of the corporation may vote to dissolve the corporation and upon such vote shall signify their consent to such dissolution in writing~~]. Such corporation shall then file with the commissioner such consent, attested by the secretary or treasurer and its president or vice president, with a statement of the names and residences of the existing board of directors and officers, duly verified.

(2) The commissioner, upon receipt of satisfactory proof of the solvency of the corporation, shall issue to such corporation a certificate in triplicate to the effect that such consent and statement have been filed, and that it appears that such corporation has complied with subsection (1) of this section. One (1) certificate shall be filed by the corporation in the office of the clerk of the county in which the corporation has its place of business and another in the office of the secretary of state, and thereupon such corporation shall be dissolved and shall cease to carry on business except for the purpose of adjusting and winding up its affairs.

(3) The corporation, by its board of directors, shall then proceed to adjust and wind up its business and may carry out its accounts receivable, and liquidate its assets and apply the same in discharge of its obligations. After paying such obligations, each share, according to the amount paid thereon, shall be entitled to its proportion of the balance of the assets.

(4) The corporation shall continue in existence for the purpose of discharging its debts or obligations, collecting and distributing its assets, and doing all other acts necessary to wind up its business, and may sue and be sued for the purpose of enforcing such debts and obligations until its affairs are fully adjusted and wound up.

SB 250, AN ACT relating to financial institutions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 294.020 is amended to read as follows:

(1) The following shall be exempt from this chapter:

(a) Any person doing business under the laws of this state or the United States relating to banks, bank holding companies, mutual savings banks, trust companies, savings and loan associations, *service corporation subsidiaries of savings and loan associations,* common and consumer finance companies, industrial loan companies, insurance companies or real estate investment trusts as defined in 26 U.S.C. Section 856 and the affiliates of such banks or bank holding companies;

(b) An attorney at law rendering services in the performance of his duties as an attorney at law;

(c) Any person doing any act under order of any court;

(d) Any one natural person, or husband or wife, who provides funds for investment in loans secured by a lien on real property, on his own account, who does not charge a fee or cause a fee to be paid for any service other than the normal and scheduled rates for escrow, title insurance and recording services, and who does not collect funds to be used for the payment of any taxes or insurance premiums on the property securing any such loans;

(e) Any person doing business under the laws of this state or the United States relating to any broker-dealer, agent or investment adviser duly registered with the Kentucky division of securities;

(f) The United States of America, the Commonwealth of Kentucky or any other state, and any Kentucky city, county or other political subdivision, and any agency, division or corporate instrumentality of any of the foregoing*;*

(g) A real estate agent rendering services in the performance of his duties as a real estate agent.

(2) The following shall be exempt from the registration, net capital and bond requirements of KRS 294.030 to KRS 294.060, 294.080 and 294.090:

(a) A Kentucky licensed real estate broker, associate broker, or salesman rendering services in the performance of his duties as real estate broker who obtains financing for a real estate transaction, if the real estate broker does not act as a loan broker in more than five (5) transactions during any twelve (12) month period; and if he does not receive a fee for his activities as a loan broker until the proceeds of the loan are actually disbursed; and if he files with the commissioner within thirty (30) days of each transaction a disclosure statement describing the transaction, which statement shall contain such information as the commissioner by rule or order may require. A Kentucky licensed real estate broker rendering services in the performance of his duties as a real estate broker who acts as a loan broker and who is not exempt under this paragraph must register under this chapter but is exempt from the bond and net capital requirements herein;

(b) Any mortgage loan company which is subject to licensing, supervision or auditing by the federal national mortgage association, or the U. S. veterans administration, or the government national mortgage association or the U. S. department of housing and urban development as an approved seller or servicer; provided however, such mortgage loan company shall submit an annual audited financial statement of its books and records accompanied by an opinion of a certified public accountant to the commissioner. Said audit shall be filed with the commissioner within one hundred twenty (120) days of the close of its fiscal year.

(3) Any person relying upon an exemption under subsections (1) or (2) of this section shall file with the commissioner a claim of exemption. The commissioner shall thereafter determine the availability of the claimed exemption and he may not disallow an exemption that is validly claimed.

The Committee on Judiciary-Criminal reported **HB 777** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 777, AN ACT relating to abuse of public office.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 522.030 is amended to read as follows:

(1) A public servant is guilty of official misconduct in the second degree when he knowingly:

(a) Commits an act relating to his office which constitutes an unauthorized exercise of his official functions; or

(b) Refrains from performing a duty imposed upon him by law or clearly inherent in the nature of his office; or

(c) Violates any statute or lawfully adopted rule or regulation relating to his office*; or*

(d) Promises to exchange his support for a given issue confronting a public body in exchange for another person promising to support a different issue before the same body.

(2) Official misconduct in the second degree is a Class B misdemeanor.

The Committee on Judiciary-Civil reported **HB 794,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 794, AN ACT relating to condemnation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 416 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section mineral means all forms of minerals including but not limited to rock, stone, limestone, shale, gravel, sand, clay, fluorspar, zinc, coal, oil, natural gas, and natural gas liquids which are contained in or on the soils of this state.

(2) Whenever the Commonwealth of Kentucky, or any agency or instrumentality thereof acquires any real property pursuant to its right of eminent domain and thereafter during construction, minerals are removed and sold, the condemnee landowner shall receive eight percent (8%) of the price for which the minerals are sold.

Committee Substitute to **HB 794** is as follows:

HB 794, AN ACT relating to condemnation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 416 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section mineral means all forms of minerals including but not limited to rock, stone, limestone, shale, gravel, sand, clay, fluorspar, zinc, coal, oil, natural gas, and natural gas liquids which are contained in or on the soils of this state.

(2) Whenever the Commonwealth of Kentucky, or any agency or instrumentality thereof acquires any real property pursuant to its right of eminent domain and thereafter during construction, minerals will be removed and sold. The Commonwealth of Kentucky, or any agency or instrumentality thereof, shall make available to the condemnee mineral owner all records, including but not limited to core drillings, showing the amount of mineral that will be removed during construction. The condemnee mineral owner shall have the option of agreeing to a negotiated price for all minerals that are to be removed or to a royalty of eight percent (8%) of the gross selling price of the mineral when it is removed and sold. If the condemnee mineral owner opts to receive payment at a negotiated price instead of a royalty payment, the state shall receive the eight percent (8%) royalty to offset the cost of obtaining the mineral. The eight percent (8%) royalty shall be paid by the contractor who sells the mineral.

The Committee on Natural Resources and Environment reported **HB 639,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 639, AN ACT granting functions relating to onsite sewage disposal to the department for human resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The department shall regulate the construction, installation, or alteration of onsite sewage disposal systems except for such systems that have a surface discharge.

(2) No person, firm, or corporation shall construct, install, alter or cause to be constructed, installed, or altered, any onsite sewage disposal system subject to regulation by the department without having first obtained an onsite sewage disposal permit from the department.

(3) No person, firm, or corporation shall use or continue to use or permit the use or continued use of any onsite sewage disposal system that is constructed, installed, or altered under an onsite sewage disposal permit where the department through a duly authorized inspector, employe or agent finds that the system was not constructed, installed, or altered in conformance with such permit and regulations issued by the department.

(4) All applications for onsite sewage disposal permits shall be accompanied by plans and specifications for the proposed system, results of an approved percolation test in the area where the proposed system is to be located and additional soils and other information as directed by the department by regulation.

(5) The department shall fix a reasonable schedule of fees for the functions performed relating to the regulation of onsite sewage disposal systems. Such fees shall be designed to fully cover the cost of the service performed but shall not exceed the cost of the service performed. Fees payable to the department

shall be paid into the state treasury and credited to a trust and agency fund to be used by the department in carrying out its responsibilities relating to the regulation of onsite sewage disposal systems. No part of the fund shall revert to the general fund of the Commonwealth.

(6) Any regulation relating to onsite sewage disposal that is in effect on the effective date of this Act shall remain in effect until altered by the secretary. The secretary may issue additional regulations necessary to carry out the purposes of this section.

(7) All records necessary to properly carry out this section shall be transferred from the department of housing, buildings, and construction to the department for human resources.

SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

Any local board of health authorized to serve as agent of the department for human resources for the issuance of permits for onsite sewage disposal systems may set a schedule of fees reasonably related to the cost of administering such programs including inspections incidental thereto.

SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The department shall establish a program to certify persons as inspectors solely for onsite sewage disposal systems. Persons eligible for certification shall include sanitarians, engineers, soil scientists, and other qualified persons as determined by regulation by the department. In order to be certified by the department, eligible persons shall:

(a) Attend a training session concerning the proper construction and installation of onsite sewage disposal systems conducted by the department;

(b) Indicate sufficient skill and competency necessary for proper inspection of onsite sewage disposal systems by adequate performance on an examination prescribed by the department;

(c) Pay a reasonable fee related to the cost of conducting training and certification sessions to be utilized to defray the cost of conducting the sessions; and

(d) Renew the certificates of competence at reasonable intervals.

(2) No person shall approve the construction, installation or alteration of an onsite sewage disposal system unless it is in conformance with the regulations issued by the department.

(3) The department may revoke or suspend any certification issued pursuant to this section upon proof that the certified person has:

(a) Knowingly violated the provisions of this chapter or the regulations of the department;

(b) Practiced fraud or deception in applying for or obtaining a certificate;

(c) Is incompetent to perform inspection services;

(d) Permitted the certification to be used directly or indirectly by another to obtain or perform inspections; or

(e) Is guilty of such other unprofessional or dishonorable conduct of a character likely to deceive or defraud the public.

SECTION 4. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

In order to provide for the issuance of plumbing installation permits pursuant to KRS Chapter 318 and onsite sewage disposal permits pursuant to this chapter in a manner convenient to the public, the department for human resources shall provide office space in the local departments of health for the district plumbing inspector without fee or charge to the department of housing, buildings and construction.

Section 5. KRS 211.180 is amended to read as follows:

The department shall enforce the rules and regulations adopted by the secretary for human resources for the regulation and control of the matters set out below and shall formulate, promote, establish and execute policies, plans and programs relating to all matters of public health, including but not limited to the following matters:

(1) Detection, prevention, and control of communicable diseases, chronic and degenerative diseases, dental diseases and abnormalities, occupational diseases and health hazards peculiar to industry, home accidents and health hazards, animal diseases which are transmissible to man, and such other diseases and health hazards as may be controlled;

(2) The control of insects, rodents and other vectors of disease; the safe handling of food and food products; the safety of cosmetics; the control of narcotics, barbiturates and other drugs as provided by law; the sanitation of schools, industrial establishments and other public and semipublic buildings; the sanitation of state and county fairs and other similar public gatherings; the sanitation of public and semipublic recreational areas; the sanitation of public rest rooms, trailer courts, hotels, tourist courts, and other establishments furnishing public sleeping accommodations; the review, approval or disapproval of plans for construction, modification or extension of equipment related to food-handling in food-handling establishments; the licensure of hospitals; and the control of such other factors, not assigned by law to another agency, as may be necessary to insure a safe and sanitary environment;

(3) *The construction, installation and alteration of any onsite sewage disposal system except for a system with a surface discharge;*

(4) Protection and improvement of the health of expectant mothers, infants, preschool and school age children;

(5)[~~(4)~~] The practice of midwifery, including the issuance of permits to and supervision of women who practice midwifery;

(6)[~~(5)~~] Protection and improvement of the health of the people through better nutrition.

Section 6. KRS 318.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Department" means department of housing, buildings and construction;

(2) "Journeyman plumber" means a person who engages or offers to engage, either as an occupation or otherwise, in the construction, installation, alteration, maintenance, repair, remodeling or removal, and replacement of plumbing under the supervision, direction and responsibility of a master plumber;

(3) "Master plumber" means a person who assumes responsible charge, supervision or direction of journeyman plumbers, plumbers' apprentices and other persons in the construction, installation or alteration of plumbing or who engages in, offers to engage in or advertises or otherwise represents that he is permitted or qualified to engage in the design, planning, superintending, contracting for or responsible charge of plumbing;

(4) "Plumbing" means the art of installing in buildings the pipes for distributing the water supply, the fixtures for using water and drainage pipes for removing waste water and sewage, together with fittings, appurtenances, and appliances of various kinds, all within or adjacent to the building. *It shall not include the installation of onsite sewage disposal systems, except for the piping, fixtures, or other appurtenances needed within the building.* It shall include:

(a) The water service pipe which forms the connection between the property line and the building other than piping serving fire-fighting equipment;

(b) Private water supply systems;

(c) House sewers which convey the waste water and sewage from the building to the property line or other points of disposal but not including sewers located between manholes and sewers extending five (5) feet from a main or manhole on private property; and

(d) Storm sewers and rain water piping located within a building to a point two (2) feet outside of the building [~~and private sewage disposal systems other than those which have a treated affluent~~].

(5) "Public building" means any building intended for public use or built with public funds and includes but is not limited to the following: schools, industrial establishments, housing projects, restaurants, food-handling establishments, private clubs, theaters including drive-ins, trailer coach parks, camping areas, hospitals, nursing homes, hotels, motels, tourist courts, rooming houses, boarding houses, and other establishments furnishing public sleeping accommodations;

(6) "Maintenance man" means a person employed to maintain and keep plumbing in good repair;

(7) "Apprentice" means a person in the process of learning the plumbing trade who assists and is under the personal supervision of a licensed master or licensed journeyman plumber;

(8) "Farmstead" means a farm dwelling together with other farm buildings and structures incident to the operation and maintenance of the farm located outside the corporate limits of a municipality and not connected to a public water supply;

(9) "Person" means any individual, public or private corporation, political subdivision, government agency, municipality, co-partnership, association, firm, trust, estate, or other entity whatsoever;

(10) "Commissioner" means the commissioner of the department of housing, buildings and construction;

(11) "Code" means the Kentucky state plumbing code.

Section 7. KRS 318.130 is amended to read as follows:

(1) In order to administer this chapter, the department shall promulgate and thereafter from time to time may amend a code to be known as the Kentucky state plumbing code, regulating the construction, installation and alteration of plumbing and plumbing fixtures and appliances, house sewers [~~or private sewage disposal systems~~] and private water supplies, methods and materials to be used therein within this state, using as a minimum standard the basic principles of the national plumbing code coordinating committee, as evidenced by that committee's final report of 1951 with variations thereof or additions thereto as the committee considers are warranted by local, climatic or other conditions. The code may also designate the number of plumbing fixtures for public buildings. The department may adopt any other reasonable rule or regulation to administer this chapter. No rules or regulations so approved by the committee shall become effective except upon adoption by the department, in satisfaction of the requirements of KRS Chapter 13. The department shall furnish to the committee proposed amendments to the code for the committee's review prior to their adoption by the department.

Section 8. KRS 318.134 is amended to read as follows:

(1) No person, firm or corporation shall:

(a) Construct, install, or alter, or cause to be constructed, installed, or altered, any plumbing without first having procured a plumbing installation permit therefor from the department;

(b) Use or continue to use, or permit the use or continued use of, any plumbing constructed, installed, or altered under a plumbing installation permit issued therefor where the department through a duly authorized inspector, employe or agent, finds that the plumbing was not constructed, installed or altered in accordance with such permit and the Kentucky state plumbing code.

(2) All applications for plumbing installation permits shall be accompanied by plans and specifications of the proposed plumbing installation, location and construction of *the* water supply system *to be used. If an onsite sewage disposal system that does not have a surface discharge is proposed, a valid onsite sewage disposal permit issued by the department for human resources or its designated agent shall accompany the application*[~~, type of sewage disposal, location of septic tank, drain field or pit to be used. No plumbing installation permit shall be issued until plans of the sewage disposal have been submitted to and approved by the department together with the results of an approved percolation test~~].

(3) The department shall fix a reasonable schedule of fees and charges to be paid for plumbing installation permits and the necessary inspections incident thereto. The department shall also fix a reasonable schedule of fees and charges to be paid for necessary inspections of the construction, installation or alteration of plumbing in public buildings.

[~~(4) In the case of on-site sewage disposal systems, an authorized local board of health may act for the department, pursuant to KRS 318.310.~~]

Section 9. KRS 318.160 is amended to read as follows:

Except as otherwise provided by law or by regulation of the department, no person shall construct, install, or extensively alter any plumbing, sewerage or water supply system of any public building or establishment without having first obtained the approval of the department in writing. Detailed plans and specifications of the proposed facility showing the plumbing system, sewage disposal system, and water supply system shall be submitted to the department prior to the construction or alteration of the facility. In the event no public sewer is available, the plan shall include the proposed type of sewage disposal system. In the event a sewage subsoil drainage system is used, *or some other type of onsite sewage disposal system that does not have a surface discharge, the application for construction, installation or alteration of such system shall be submitted to the department for human resources or its designated agent* [~~a complete soil study, including among other pertinent data, the results of percolation tests shall be submitted. Such percolation tests shall be conducted in accordance with the standards adopted by the department~~]. All *other* plans and specifications shall be submitted in triplicate to the department. The department shall notify the applicant in writing of the approval or disapproval of the plans. The construction, installation or alteration shall be done in accordance with the approved plans. [~~In the case of on-site sewage disposal systems, an authorized local board of health may act for the department, pursuant to KRS 318.310.~~]

SECTION 10. KRS 318.310 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 211 AND AMENDED TO READ AS FOLLOWS:

The *commissioner of the bureau for health services* [~~secretary of the department~~] shall, upon written request from a local board of health, authorize the local board of health to serve as its agent to issue [~~plumbing installation~~] permits for on-site sewage disposal systems within that area of local board jurisdiction. As agent, the authorized local board of health shall act for the department in issuing permits and granting variances for on-site sewage disposal systems. Actions by the local board of health shall comply with [~~the requirements set down in KRS 318.134 and 318.160 and with~~] the regulations established by the department relating to on-site sewage disposal systems. The local board of health shall include in the written request a procedure for administering this section.

SECTION 11. KRS 318.330 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 211 TO READ AS FOLLOWS:

(1) The department shall solicit and collect technical information relating to improved methods for construction, use, and rehabilitation of septic tanks and drain fields and use of alternative onsite sewage disposal systems and technologies.

(2) The department shall compile such information in manual form so as to identify common onsite sewage disposal problems and a range of alternative solutions to such problems. Such manuals shall be made available upon request to local boards of health, local departments of health, other agencies, and interested persons.

(3) The department shall further update the information contained in the manual on an annual basis or as necessary and disseminate the updated information to such local boards of health, local departments of health, other agencies, and interested persons.

(4) The department shall develop a nontechnical manual for use by the homeowner to be disseminated upon request to interested agencies and persons containing information on the proper operation, use and maintenance of septic tanks and drain fields and other onsite sewage disposal systems.

(5) The department may establish by regulation a fee or schedule of fees for onsite sewage disposal manuals based on the cost of publication and dissemination of such manuals.

(6) The department shall provide training and continuing education programs to field personnel relating to onsite sewage disposal.

SECTION 12. KRS 318.320 IS REPEALED AND REENACTED AS A NEW SECTION OF KRS CHAPTER 211 AND AMENDED TO READ AS FOLLOWS:

[~~(1)~~] If a proposed site fails to meet the criteria established by the department for a septic tank system, a permit shall be granted for an approved on-site sewage disposal system other than a septic tank, including modified subsurface systems, mechanical systems, and any other system appropriate to the individual characteristics of the site which will provide sewage treatment that meets established water quality criteria and health standards.

[~~(2) The department shall include in the state plumbing code a listing of approved on-site sewage disposal systems other than septic tanks.~~]

Committee Amendment No. 1 to **HB 639** is as follows:

Amend printed copy of **HB 639,** page 1, line 12, by inserting after the period "." the following:

"*Such construction, installation or alteration shall be performed by a licensed plumber in accordance with KRS 318.010 and 318.030 except in the case of a single family dwelling occupied by the owner thereof or under construction for occupancy by the owner.*"

Committee Amendment No. 2 to **HB 639** is as follows:

Amend printed copy of **HB 639,** page 2, line 8, by inserting after the word "*performed*" the words "*by the department,*"; and

On page 3, line 8, by inserting after the period "." the words:

"*Such fees shall be designed to fully cover the cost of the services but shall not exceed the cost of the services performed. Fees payable to the board shall be used by the board only for the administration of said program.*"; and

On page 3, line 12, by deleting the word "*solely*"

Calendar

HB 620, HB 667, HB 768, HCR 70, SB 145, HB 738, SB 285, HB 810, HB 801, SB 271, HB 722, SB 119, HCR 39, HR 80, HB 412, HB 546, HB 605, HB 616, HB 717, SB 266, HB 622, HB 573, HB 668, HB 682, HJR 36, HR 65, HR 72, HR 78, SB 135, SB 168, SB 175, SB 177, and **SB 233** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 32** had been examined and found correctly enrolled. **SB 32** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:38 p.m.)

Orders of the Day

HB 194, by way of Committee Substitute as amended by Committee Amendment No. 1, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Clapp moved the adoption of the Floor Amendment No. 4 to the Committee Substitute to **HB 194.** Agreed.

Representative Bruce moved that **HB 194,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 50-Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Donnermeyer, Dunn, Ellington, Endicott, Gray, Guenthner, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Lile, Little, Lundergan, Mann, McNutt, Meyer, Moberly, Morris, Nett, Patrick, Petty, Priddy, Richards, P. Richardson, Schmidt, B. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, White. Nays 47-Allen, Arnold, Barrows, Bendl, Blevins, Brown, Burnette, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Farrow, Ford, Foster, Freibert, Fryman, Haering, Hancock, Head, R. Jones, T. Jones, Layman, Lefevers, LeMaster, List, Long, Maggard, McBee, Moore, Noe, Noland, O'Brien, Overstreet, Perkins, Rapier, Rattliff, Riner, Robinson, Seum, F. Smith, Tobin, Van Horn, Williams, Worthington, Yates.

HB 194, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 194,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 545, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 545** be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

HB 545 was passed and the title agreed to.

Speaker Pro Tempore Thomason presiding.

Representative LeMaster moved that the vote by which **HB 545** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 293, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **HB 293** be passed.

Representative O'Brien moved the adoption of the Committee Amendment No. 1 to **HB 293.**

On the roll call the vote was yeas 22-Allen, Barrows, Burnette, Crupper, Cyrus, Deskins, Ellington, Endicott, Farrow, Freibert, Haering, Little, Meyer, Moberly, Noe, Pearman, Perkins, Schmidt, F. Smith, Stone, Turner, Worthington. Nays 55-Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Donnermeyer, Dunn, Ford, Foster, Fryman, Gray, Hancock, Handy, Harper, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, McBee, Moore, Nett, Noland, O'Brien, Overstreet, Patrick, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Seum, B. Smith, Stumbo, Thomason, Todd, Van Horn, White, Yates.

Committee Amendment No. 1 to **HB 293** was rejected.

Representative Robinson moved the adoption of the Floor Amendment No. 2 to **HB 293.**

Representative Overstreet moved that Floor Amendment No. 2 to **HB 293** be laid on the table.

On the roll call the vote was yeas 47-Allen, Arnold, Barrows, Brown, Burch, Burnette, Caldwell, Clarke, Cline, Craddock, Crupper, Cyrus, Dawahare, Deskins, Ellington, Endicott, Farrow, Ford, Fryman, Haering, Harper, Heleringer, Holbrook, Kenton, Lefevers, Lile, List, Little, Long, Maggard, Moberly, Moore, Noland, Overstreet, Patrick, Pearman, Perkins, Rattliff, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Todd, Turner, Worthington. Nays 42-Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Clark, Cowan, Curd, Donnermeyer, Dunn, Foster, Freibert, Gray, Hancock, Handy, Head, Hines, R. Jones, T. Jones, Kidd, Layman, LeMaster, Mann, McBee, Meyer, Morris, Nett, O'Brien, Petty, Priddy, Rapier, Richards, Riner, Seum, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Yates.

The motion that Floor Amendment No. 2 to **HB 293** be laid on the table was adopted.

HB 582, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved the adoption of the Committee Amendment No. 1 to **HB 582.** Agreed.

Representative B. Smith moved the adoption of the Floor Amendment No. 2 to **HB 582.**

The Speaker resumed the Chair.

On the roll call the vote was yeas 39-Barrows, Blandford, Blevins, Boswell, Bronger, Brown, Burnette, Clarke, Cline, Crupper, Cyrus, Ellington, Ford, Gray, Haering, Harper, Head, Johnson, R. Jones, T. Jones, Kidd, Layman, List, Long, Moberly, Noe, Noland, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, B. Smith, Stone, Stumbo, Todd, Turner, Yates. Nays 26-Bendl, Bennett, Burch, Caldwell, Cowan, Craddock, Donnermeyer, Endicott, Farrow, Guenthner, Hancock, Holbrook, McBee, McNutt, Meyer, Nett, Pearman, Perkins, Petty, Priddy, Schmidt, Seum, Thomason, Tobin, Van Horn, Williams.

Floor Amendment No. 2 to **HB 582** was adopted.

Representative Meyer moved that **HB 582,** as amended, be passed.

Representative Harper moved the adoption of the Floor Amendment No. 3 to **HB 582.**

Representative Barrows moved that **HB 582** be laid on the Clerk's desk. Rejected.

Representative Harper moved the adoption of Floor Amendment No. 3 to **HB 582.** Agreed.

Representative Harper moved the adoption of the Floor Amendment No. 1 to **HB 582.** Rejected.

Representative Meyer moved that **HB 582,** as amended, be passed.

On the roll call the vote was yeas 47-Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Burch, Burnette, Caldwell, Clapp, Cowan, Craddock, Curd, Deskins, Donnermeyer, Farrow, Ford, Foster, Gray, Hancock, Head, Heleringer, R. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Maggard, Mann, Meyer, Nett, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, Seum, Stone, Stumbo, Thomas, Thomason, Tobin, Yates. Nays 39-Allen, Barrows, Brown, Bruce, Clark, Clarke, Crupper, Cyrus, Dawahare, Dunn, Ellington, Endicott, Freibert, Fryman, Haering, Handy, Harper, Holbrook, T. Jones, Layman, Long, McBee, McNutt, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Todd, Van Horn, Worthington.

HB 582, as amended, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 582,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 706, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Floor Amendment No. 1 to **HB 706.** Agreed.

Representative Worthington moved the adoption of the Floor Amendment No. 2 to **HB 706.** Agreed.

Representative Worthington moved that **HB 706,** as amended, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Ellington, Endicott, Farrow, Ford, Freibert, Hancock, Handy, Head, Heleringer, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Mann, McBee, McNutt, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, Worthington, Yates. Nays 8-Clark, Cowan, Deskins, Dunn, Gray, Meyer, Noe, Perkins.

HB 706, as amended, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 706,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 394 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 394** be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Ford, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Johnson, R. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Little, Maggard, Mann, McBee, McNutt, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Turner, Van Horn, White, Worthington, Yates. Nays 10-Clarke, Craddock, Freibert, Head, Holbrook, List, Long, Rapier, Tobin, Todd.

HB 394 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 394** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 536, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Substitute to **HB 536.** Agreed.

Representative Bendl moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 536.** Agreed.

Representative Bendl moved that **HB 536,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 83-Allen, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

HB 536, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 536,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 669, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Jones moved the adoption of the Committee Substitute to **HB 669.** Agreed.

Representative B. Jones moved that **HB 669,** by way of Committe Substitute, be passed.

Representative Burch moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 669.** Rejected.

On the roll call the vote was yeas 87-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Yates. Nays 2-Perkins, Worthington.

HB 669, by way of Committee Substitute, was passed and the title agreed to.

Representative B. Jones moved that the vote by which **HB 669,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 730 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 730** be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Fryman, Guenthner, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, Overstreet, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Yates. Nays 20-Allen, Brown, Burnette, Caldwell, Clapp, Ellington, Endicott, Freibert, Gray, Haering, Hancock, Heleringer, Layman, List, O'Brien, Pearman, Rattliff, Riner, Tobin, Worthington.

HB 730 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 730** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 785, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Floor Amendment No. 2 to **HB 785.**

On the roll call the vote was yeas 54-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Endicott, Foster, Gray, Guenthner, Haering, Handy, Hines, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Morris, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, White, Yates. Nays 15-Allen, Burnette, Crupper, Ellington, Farrow, Ford, Freibert, Fryman, Hancock, Harper, Heleringer, Pearman, P. Richardson, Todd, Van Horn.

Floor Amendment No. 2 to **HB 785** was adopted.

Representative Thomason moved the adoption of Floor Amendment No. 1 to **HB 785.** Agreed.

Representative Thomason moved the adoption of Floor Amendment No. 3 to **HB 785.** Agreed.

Representative LeMaster moved that **HB 785,** as amended, be passed.

On the roll call the vote was yeas 74-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stumbo, Thomason, Todd, Van Horn, Worthington, Yates. Nays 6-Craddock, Fryman, Hancock, McNutt, Pearman, Tobin.

HB 785, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 785** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 274, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **SB 274** be passed.

Representative F. Smith moved the adoption of the Floor Amendment No. 1 to **SB 274.**

On the roll call the vote was yeas 9-Barrows, Blevins, Clarke, Fryman, McBee, Meyer, Robinson, F. Smith, Stumbo. Nays 68-Allen, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, R. Jones, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, Stone, Tobin, Todd, Turner, Van Horn, White, Williams.

Floor Amendment No. 1 to **SB 274** was rejected.

Representative Cyrus moved that **SB 274** be passed.

Representative Clapp moved the adoption of Floor Amendment No. 3 to **SB 274.** Rejected.

Representative Turner moved the adoption of the Floor Amendment No. 4 to **SB 274.** Rejected.

Representative Cyrus moved that **SB 274** be passed.

On the roll call the vote was yeas 94-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 274 was passed.

Representative Cyrus moved the adoption of the Floor Title Amendment to **SB 274.** Agreed.

Representative Cyrus moved that the vote by which **SB 274,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 20, SB 169, SB 213,** and **SB 35** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 4:48 p.m.)

Orders of the Day (continued)

HB 571, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Substitute to **HB 571.**

On the roll call the vote was yeas 64-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Gray, Hancock, Handy, Head, Hines, Johnson, R. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Little, Long, McBee, Meyer, Moberly, Moore, Nett, Noe, O'Brien, Pearman, Perkins, Priddy, Richards, B. Richardson, Riner, B. Smith, Stone, Stumbo, Thomason, Tobin, Turner, White, Williams, Yates. Nays 31-Allen, Bronger, Bruce, Caldwell, Endicott, Ford, Freibert, Guenthner, Haering, Harper, Heleringer, Holbrook, Layman, Lile, Lundergan, Mann, McNutt, Morris, Noland, Overstreet, Patrick, Petty, Rapier, Rattliff, Robinson, Schmidt, Seum, F. Smith, Thomas, Van Horn, Worthington.

The Committee Substitute to **HB 571** was adopted.

Representative LeMaster moved that **HB 571,** by way of Committee Substitute, be passed.

Representative F. Smith moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 571.**

On the roll call the vote was yeas 38-Barrows, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cowan, Crupper, Curd, Endicott, Freibert, Gray, Guenthner, Haering, Hancock, Harper, Heleringer, Holbrook, Lile, List, Lundergan, Maggard, McBee, Moore, Morris, Noe, Patrick, Perkins, Rapier, Schmidt, Seum, F. Smith, Thomas, Van Horn, Yates. Nays 46-Allen, Bendl, Bennett, Blandford, Brinkley, Clarke, Cline, Craddock, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Fryman, Head, Hines, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Little, Long, Mann, Meyer, Moberly, Nett, Noland, O'Brien, Overstreet, Pearman, Priddy, Rattliff, Richards, B. Richardson, Riner, B. Smith, Stone, Stumbo, Thomason, White, Williams.

Floor Amendment No. 1 to the Committee Substitute to **HB 571** was rejected.

Representative LeMaster moved that **HB 571,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 64-Barrows, Bendl, Bennett, Blandford, Blevins, Brinkley, Brown, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Hancock, Handy, Hines, Johnson, R. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Little, Long, Maggard, McBee, Meyer, Moberly, Moore, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, B. Smith, Stone, Stumbo, Thomason, Todd, Turner, White, Williams, Yates. Nays 31-Allen, Boswell, Bronger, Bruce, Caldwell, Endicott, Freibert, Gray, Guenthner, Haering, Harper, Head, Heleringer, Holbrook, T. Jones, Layman, Lile, Lundergan, Mann, McNutt, Morris, Noland, Patrick, Rapier, Robinson, Schmidt, Seum, F. Smith, Thomas, Van Horn, Worthington.

HB 571, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 571,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 208, with Committee Substitutes, Committee Amendment, and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of the Second Committee Substitute to **HB 208.** Agreed.

Representative Guenthner moved that **HB 208,** by way of Second Committee Substitute, be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Todd, Turner, Van Horn, Williams, Yates. Nays 0.

HB 208, by way of Second Committee Substitute, was passed and the title agreed to.

Representative Guenthner moved that the vote by which **HB 208,** by way of Second Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 693 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved that **HB 693** be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 0.

HB 693 was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 693** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 697, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bronger moved the adoption of the Floor Amendment No. 1 to **HB 697.** Agreed.

Representative Meyer moved that **HB 697,** as amended, be passed.

On the roll call the vote was yeas 68-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, Kidd, LeMaster, Lile, List, Little, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, F. Smith, Stone, Turner, Van Horn, Worthington, Yates. Nays 0.

HB 697, as amended, was passed.

Representative Meyer moved the adoption of the Floor Title Amendment to **HB 697.** Agreed.

Representative Meyer moved that the vote by which **HB 697,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thomason presiding.

HB 507, with Committee Amendments and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Amendment No. 1 to **HB 507.** Agreed.

Representative Barrows moved the adoption of the Committee Amendment No. 2 to **HB 507.** Agreed.

Representative Barrows moved the adoption of the Floor Amendment No. 1 to **HB 507.** Agreed.

Representative Barrows moved that **HB 507,** as amended, be passed.

On the roll call the vote was yeas 51-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, LeMaster, List, Long, Mann, McBee, Meyer, Moberly, Noland, O'Brien, Petty, Priddy, Rapier, P. Richardson, F. Smith, Thomason, Van Horn, Williams, Yates. Nays 23-Allen, Craddock, Crupper, Ellington, Endicott, Farrow, Ford, Foster, Fryman, R. Jones, Lile, Little, Maggard, McNutt, Morris, Patrick, Pearman, Perkins, Riner, Robinson, Stone, Todd, Turner.

HB 507, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 507,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 703, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved the adoption of the Committee Amendment No. 1 to **HB 703.** Agreed.

Representative O'Brien moved that **HB 703,** as amended, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Lile, List, Little, Long, Maggard, McBee, Meyer, Moberly, Morris, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Todd, Turner, Van Horn, Williams, Yates. Nays 0.

HB 703, as amended, was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 703,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 151 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 151** be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, Kidd, LeMaster, Lile, List, Long, Maggard, McBee, Meyer, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 0.

SB 151 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 151** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 533 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Harper moved that **HB 533** be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Noland, O'Brien, Overstreet, Patrick, Perkins, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 6-Barrows, Bruce, Crupper, Hancock, Morris, Pearman.

HB 533 was passed and the title agreed to.

Representative Harper moved that the vote by which **HB 533** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 744, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Substitute to **HB 744.** Agreed.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 744.** Agreed.

Representative Arnold moved that **HB 744,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 60-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brown, Burnette, Caldwell, Clark, Clarke, Cline, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Guenthner, Hancock, Harper, Head, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Noe, Noland, Overstreet, Perkins, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomason, Turner, Van Horn, Williams, Worthington, Yates. Nays 14-Allen, Brinkley, Bruce, Craddock, Crupper, Ford, Freibert, Fryman, Haering, Layman, Lile, McNutt, Morris, Pearman.

HB 744, by way of Committee Substitute as amended, was passed and the title agreed.

Representative Arnold moved that the vote by which **HB 744,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 802, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ellington moved the adoption of the Committee Amendment No. 1 to **HB 802.** Agreed.

Representative Ellington moved that **HB 802,** as amended, be passed.

On the roll call the vote was yeas 74-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clark, Clarke, Cline, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noland, O'Brien, Overstreet, Patrick, Pearman, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 1-Noe.

HB 802, as amended, was passed and the title agreed to.

Representative Ellington moved that the vote by which **HB 802,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 362, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved the adoption of the Committee Amendment No. 1 to **HB 362.** Agreed.

Representative Van Horn moved that **HB 362,** as amended, be passed.

On the roll call the vote was yeas 38-Arnold, Bennett, Blevins, Brinkley, Brown, Burch, Clapp, Clark, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Gray, Haering, Hancock, Holbrook, LeMaster, Little, Maggard, Mann, Meyer, Moberly, Morris, Nett, Noe, Pearman, Perkins, Priddy, Rapier, Rattliff, F. Smith, Stone, Stumbo, Van Horn, Williams, Yates. Nays 42-Allen, Barrows, Bendl, Blandford, Boswell, Bronger, Burnette, Caldwell, Clarke, Craddock, Crupper, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Harper, Heleringer, Hines, Johnson, R. Jones, T. Jones, Layman, Lile, List, Long, McBee, McNutt, O'Brien, Overstreet, Patrick, Richards, Riner, Robinson, Schmidt, Seum, B. Smith, Thomason, Todd, Turner, Worthington.

HB 362 was defeated.

HB 213, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Jones moved the adoption of the Committee Substitute to **HB 213.** Agreed.

Representative B. Jones moved that **HB 213,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Dawahare, Deskins, Dunn, Ellington, Endicott, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Turner, Van Horn, Williams, Worthington, Yates. Nays 1-Brown.

HB 213, by way of Committee Substitute, was passed and the title agreed to.

Representative B. Jones moved that the vote by which **HB 213,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 391, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **HB 391** be passed.

On the roll call the vote was yeas 74-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, Kidd, Layman, LeMaster, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moore, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 7-Barrows, Clarke, Johnson, Lile, Mann, Moberly, Noe.

HB 391 was passed and the title agreed to

Representative Gray moved that the vote by which **HB 391** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 444, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Substitute to **HB 444.** Agreed.

Representative LeMaster moved that **HB 444,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 47-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Clark, Clarke, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Hancock, Hines, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Long, Mann, McBee, Meyer, Moberly, O'Brien, Pearman, Perkins, Priddy, Rapier, B. Richardson, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Turner, Van Horn, Williams, Worthington, Yates. Nays 38-Brinkley, Brown, Burnette, Caldwell, Clapp, Craddock, Crupper, Curd, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Harper, Head, Heleringer, Holbrook, Johnson, Layman, Lile, Little, McNutt, Moore, Morris, Noe, Noland, Patrick, Rattliff, Richards, P. Richardson, Robinson, Seum, Stone, Todd.

HB 444, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 444,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 510, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of the Committee Substitute to **HB 510.** Agreed.

Representative Long moved that **HB 510,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 55-Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Foster, Freibert, Gray, Haering, Harper, Head, Kenton, Kidd, LeMaster, Lile, List, Little, Mann, Meyer, Moberly, Noe, O'Brien, Pearman, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 5-Bruce, Crupper, Heleringer, Morris, Overstreet.

HB 510, by way of Committee Substitute, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 510,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 82, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of the Committee Amendment No. 1 to **HR 82.** Agreed.

Representative Burnette moved that **HR 82,** as amended, be adopted.

HR 82, as amended, was adopted by voice vote.

Representative Burnette moved that the vote by which **HR 82,** as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 165 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 165** be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 1-Brown.

SB 165 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 165** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 298, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved that the House concur in the following Senate Amendment No. 1 (Title) to **HB 298.** Agreed.

Amend printed copy of **HB 298** as follows:

On page 1, in the Title, following "deputies" add the following Title Amendment: "and declaring an emergency"

Representative Yates moved that the House concur in the following Senate Amendment No. 2 to **HB 298.** Agreed.

Amend printed copy of **HB 298** as follows:

On page 2, after line 10, add the following: "Section 2. Whereas, it is increasingly difficult to provide adequate law enforcement services, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

Representative LeMaster moved that **HB 298,** as amended by the Senate, be passed.

On the roll call the vote was yeas 61-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Gray, Guenthner, Haering, Handy, Harper, Head, Hines, Kenton, Kidd, Layman, LeMaster, List, Little, Long, Maggard, McBee, McNutt, Morris, O'Brien, Pearman, Perkins, Rapier, Richards, P. Richardson, Riner, B. Smith, F. Smith, Stone, Thomason, Van Horn, Williams, Worthington, Yates. Nays 15-Allen, Barrows, Fryman, Heleringer, Holbrook, R. Jones, Lile, Moberly, Moore, Noe, Noland, Patrick, Rattliff, Todd, Turner.

HB 298, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 298,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Representative Deskins moved that the vote on **HB 513** be reconsidered.

On the roll call the vote was yeas 54-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Hancock, Handy, Hines, Holbrook, Johnson, R. Jones, Kenton, LeMaster, List, Little, Long, Mann, Meyer, Moberly, Morris, Nett, Noe, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Schmidt, B. Smith, Stone, Thomason, Turner, Williams, Worthington. Nays 15-Ellington, Endicott, Ford, Fryman, Haering, Harper, Heleringer, Layman, Moore, Noland, Patrick, Robinson, F. Smith, Todd, Van Horn.

The motion that the vote on **HB 513** be reconsidered was adopted.

Representative Clarke moved that **SB 186** be reassigned to the Committee on Labor and Industry. Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Seum, **HB 6**; Representative Moberly, **HB 779**; Representative Guenthner, **HB 746**; Representative Worthington, **HR 52.**

The following members filed requests to have their names withdrawn as co-sponsor of Bills and Resolutions: Representative Freibert, **HB 635**; Representative Seum, **HB 816.**

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 93, by Representative Burch: A RESOLUTION recognizing and honoring the Jefferson County Prep Band.

HR 94, by Representative Heleringer: A RESOLUTION amending Rules 38, 40 and 4 of the Rules of the House of Representatives.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Education: **HR 90, SB 392, SB 302, SB 148.**

State Government: **HB 530, SB 103, HB 765, SB 382.**

Appropriations and Revenue: **HB 440, HB 441.**

Natural Resources and Environment: **SB 393.**

Report of Committees

The Committee on Judiciary-Criminal reported **HB 781**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 781, AN ACT relating to probation and parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 439 IS CREATED TO READ AS FOLLOWS:

(1) Every person released from a state institution under the jurisdiction of the bureau of corrections on parole or conditional release shall, upon reporting to the county parole office in the county in which the parolee is to reside, present himself to the city police of the city in which he is to reside, or if he is residing outside the city limits or if the city maintains no police department, to the sheriff or the county police in the county in which he is to reside for purposes of identification.

(2) The parolee or releasee's parole officer shall decide whether the report is to be made to the sheriff, city police, or county police.

(3) The parolee or releasee shall report as directed by this section to the agency specified by the parole officer within five (5) days of the date he first reports to the parole officer.

(4) Failure of the parolee or conditional releasee to report to the law enforcement agency as specified in this section, without good cause shown for such failure, shall be prima facie evidence of violation of the conditions of parole or conditional release.

(5) The department of justice shall, by regulation, specify the nature of the identification process.

Committee Substitute to **HB 781** is as follows:

HB 781, AN ACT relating to probation and parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 439 IS CREATED TO READ AS FOLLOWS:

(1) Upon the release of a person from prison on parole or conditional release the department of corrections shall cause a photograph to be made of the releasee for transmission to law enforcement officials in the community where he is to reside.

(2) The department shall within ten (10) days of the release of a person on parole or conditional release send a copy of the photograph, the releasee's record, his proposed address and place of employment to the police in the city in which he is to reside and to the sheriff of the county in which he is to reside.

(3) Within ten (10) days of a parolee or conditional releasee's reporting to his parole officer the parole officer shall report in writing to the police in the city where the parolee is residing and to the sheriff of the county the present residence address and employment of the parolee or releasee.

(4) This section shall not apply to persons released to reside out-of-state.

The Committee on Judiciary-Criminal reported **HB 272,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 272, AN ACT relating to carrying concealed weapons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) *Commonwealth attorneys, county attorneys, and* peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacuturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(5) Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony.

Committee Substitute to **HB 272** is as follows:

HB 272, AN ACT relating to carrying concealed weapons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) *Commonwealth attorneys, county attorneys, members of the General Assembly, and* peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacuturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(5) Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony.

Motions, Petitions and Communications (continued)

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Bennett moved the adoption of the following **HR 92:**

HR 92, A RESOLUTION adjourning the House of Representatives in honor and recognition of AFL-CIO Day.

WHEREAS, America was built with the sweat, blood and aspirations of hardworking men, women and children; and

WHEREAS, the early industrial period of our nation was marked by the relentless exploitation of the workforce; and

WHEREAS, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) was established by oppressed men and women who wanted to achieve a harmonious balance between the rights and needs of management and the rights and needs of the individual worker; and

WHEREAS, the AFL-CIO has consistently exhibited untiring efforts on behalf of the labor force of America; and

WHEREAS, we often neglect to recognize and praise an individual or group for their sacrifices and contributions to our heritage;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House is proud to honor and recognize the American Federation of Labor and Congress of Industrial Organizations for their many contributions to our nation.

Section 2. That when this prestigious body does adjourn this day, Wednesday, march 17, 1982, it does so in honor of AFL-CIO Day.

HR 92 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Worthington moved the adoption of the following **HR 88:**

HR 88, A RESOLUTION commending the 1981-82 Mason County Royals Boys Basketball team, the Coaching staff of the Royals, and the many supporters of Mason County basketball.

WHEREAS, the Mason County Royals Boys Basketball team were the champions of the 10th region in 1980-81 and were runners-up in the 1981 State High School Boys Basketball Tournament; and

WHEREAS, the members of the Mason County team are exemplary athletes, always exhibiting the highest qualities of conduct and sportsmanship; and

WHEREAS, the 1981-82 Mason County Royals Boys Basketball team is the *only* undefeated team in the State, boasting a 31-0 record. The impressive 31-0 standing is unprecedented in the history of Mason County; and

WHEREAS, the 1981-82 Mason County Royals captured the 10th region championship title for the second year in a row with an 85-71 triumph, Saturday, March 13, 1982, over the Paris Greyhounds; and

WHEREAS, the success of the Mason County team is based upon the superlative coaching abilities of Head Coach Allen Feldhaus and Assistant Coaches Fred Hester and Bill Kuhne. The members of the Mason County team are extremely fortunate to have these gentlemen for coaches due to their many fine qualities of leadership and exemplary sportsmanship; and

WHEREAS, the Mason County Cheerleading squad and the Mason County Athletic Booster Club each play an intricate role in the success story of Mason County basketball. The individuals of the Cheerleading squad and the Athletic Booster Club have provided a constant and outstanding source of support, loyalty and encouragement for the Royals;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House proudly commends and honors the members of the 1981-82 Mason County Royals Boys Basketball team for two superlative seasons, two regional titles and two trips to the State High School Boys Basketball Tournament.

Section 2. That the House recognizes and commends the outstanding coaching abilities, as well as the outstanding personal qualities of Head Coach Allen Feldhaus and Assistant Coaches Fred Hester and Bill Kuhne.

Section 3. That this prestigious body hails the contributions of the Mason County Cheerleading Squad and the Mason County Athletic Booster Club for the advancement of basketball, not only in Mason County, but throughout the Commonwealth.

Section 4. That the House of Representatives extends its heartiest congratulations to the Mason County Royals Boys Basketball team and offers best wishes to the team, coaching staff and supporters of the Mason County Royals as they travel once again to the "Sweet Sixteen."

Section 5. That the Clerk of the House is directed to transmit a copy of this resolution to all of the players on the Mason County team, the entire coaching staff and cheerleading squad, the Superintendent of the Mason County School system, the principal of Mason County High School and the president of the Mason County Athletic Booster Club.

HR 88 was adopted by voice vote.

Representative Cyrus moved the adoption of the following Legislative Citation No. 58:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Carolyn McKenzie of Flatwoods, Greenup County, as the outstanding "Young Woman of the Year" sponsored by the Flatwood area Jayceettes. We are very proud of you; your dedication, perseverance and noble example have proved very rewarding. Your educational background is indicative of your goals: a graduate of Boyd County High School, Ashland Community College, Marshall University, enrolled currently as a senior in St. Mary's School of Nursing and employed as a student nurse's aide. Fairview Baptist Church is very fortunate to be blessed with your membership. As a Jayceette for two and one half years, you have provided great inspiration and model participation in qualifying for state competition, an admirable accomplishment. You have bestowed great honor and pride upon your peers, church, school and community.

This body wishes you ultimate success in your state competition. (Sponsored by Representative Cyrus)

Agreed.

Representative Cyrus moved that **HB 809** be taken from the Clerk's desk and placed in Orders of the Day. Agreed.

Representative Richards moved that he be recorded as voting "yea" on **SB 274.** Agreed.

Representative Harper moved the adoption of the following Legislative Citation No. 57:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Art Education Class and Art teachers of Northern Kentucky University for your outstanding contribution to Art Education and your celebration of "Art for All" day March 27, 1982 at Crestview Mall, Crestview Hills, Kentucky. Your promotional emphasis of March as Youth Art Month is most creditable and far-reaching. Art festivals provide unique opportunities for creativity and self-expression that stimulates the best and most beautiful in all mankind. The exploration of diversified talents are evident many times in the expression of art. Our lives are enriched and decorated with lofty inspiration.

This prestigious body wishes you great success in your recognition of "Art for All" day and March as Youth Art Month. (Sponsored by Representative Harper)

Agreed.

The following Floor Amendments were filed to Bills and Resolutions.

Floor Amendment No. 1 to **HR 39,** by Representative Holbrook:

Amend printed copy of **HR 39,** page 2, line 3, between "schools" and the period, by adding the following: *, possible approaches for effecting an athletic trainer program within the public schools of the Commonwealth, and possible methods of funding thereof.*

Floor Amendment No. 1 to **HB 6,** by Representative Heleringer:

Amend printed copy of **HB 6,** page 3, after line 10, by adding the following: "Section 2. This Act shall become effective on June 1, 1983."

Floor Amendment No. 1 to **SB 175,** by Representative Thomason:

Amend printed copy of **SB 175,** page 12, between lines 12 and 13, by adding the following:

Section 8. KRS 12.010 is amended to read as follows:
[~~(1)~~] In this chapter, unless the context requires otherwise:
(1) "Organizational unit" means any unit of organization in the executive branch of the state government that is not an administrative body, including but not limited to any agency, program cabinet, department, bureau, division, section or office.
(2)[~~(a)~~] "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by *statutorily authorized* [~~appropriate~~] executive action as a "department";
(3)[~~(b)~~] "Division" means a major branch of a department established by statute or by *statutorily authorized* administrative action;
(4)[~~(c)~~] "Administrative body" *means any multi-member body in the executive branch of the state government, including but not limited to any board, council, commission, committee, authority or corporation.* [~~includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form of organization in the executive branch of government, but does not include "department," "program cabinet" or "division."~~]
(5)[~~(2)~~] "Program cabinet" means a group of departments, or departments and [~~commissions, or other~~] administrative bodies, designated by statute or *statutorily authorized* [~~appropriate~~] executive action as a "program cabinet."

SECTION 9. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) Recognizing the necessity for grouping related functions of organizational units and administrative bodies in order to promote greater economy, efficiency and improved administration, the governor may propose to the general assembly, for its approval, changes in the state government organizational structure which may include the creation, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities and records from one (1) organizational unit or administrative body to another.

(2) Recognizing that changes in the state government organizational structure may need to be made as rapidly as possible to achieve greater economy, efficiency and improved administration as the needs of government dictate, the governor may, between sessions of the general assembly, temporarily effect a change in the state government organizational structure as described in subsection (1) of this section if such temporary reorganization plan is first approved by the legislative research commission after review by the interim joint legislative committee with appropriate jurisdiction. Unless required by federal law, the governor may not effect a temporary reorganization plan under this subsection that would contravene:

(a) A constitutional or statutory provision relating to any constitutional officer or to an organizational unit headed by a constitutional officer; or

(b) A constitutional or statutory provision relating to an administrative body or to an organizational unit headed by an administrative body; or

(c) A constitutional provision relating to an organizational unit.

(3) Any reorganization proposed under subsection (1) or (2) of this section shall be set forth in a reorganization plan which shall be filed with the legislative research commission. The plan shall include:

(a) An explanation of each proposed change, including the need for the change;

(b) An estimate of any reduction or increase in expenditures, itemized as far as practicable, which the governor expects will result from the reorganization;

(c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations which the governor expects will be realized as a result of the reorganization; and

(d) Specification of the effects of the reorganization on the budget and personnel of each affected organizational unit or administrative body, including but not limited to the amount of funds and the number of employes that will be transferred from one (1) organizational unit or administrative body to another, any reductions in the state work force resulting from the reorganization, and the methods to be utilized to achieve such reductions.

(4) When a proposed reorganization plan is submitted for approval under subsection (2) of this section the presiding co-chairman of the legislative research commission shall determine which interim joint legislative committee has appropriate jurisdiction and shall refer the plan to such committee within ten (10) days after the director of the legislative research commission receives the proposal. Prior to the legislative research commission's approving a temporary reorganization plan, the interim joint legislative committee to which it is referred shall review the plan to determine whether the plan can reasonably be expected to achieve greater economy, efficiency or improved administration in state government. The committee shall report its findings to the legislative research commission. The committee shall review and report on the plan and the legislative research commission shall act upon the plan within sixty (60) days after it is filed with the legislative research commission. If the legislative research commission finds that increased economy or efficiency or improved administration can be expected from implementation of the plan, it shall approve the plan; otherwise, it shall not approve the plan. If the commission does not act on a proposed plan within the time specified in this subsection, the plan shall be considered approved by the legislative research commission.

(5) A temporary reorganization effective by the governor under subsections (2) to (4) of this section shall be terminated ninety (90) days after sine die adjournment of the next regular session of the general assembly unless otherwise specified by the general assembly. If the general assembly fails to enact the temporary reorganization plan or an alternative to such plan, the organizational structure that existed immediately prior to the implementation of the temporary plan shall be reinstated upon the termination of the

temporary plan. If the general assembly fails to enact a temporary reorganization plan, the governor shall not effect the plan prior to the next succeeding session of the general assembly.

(6) The legislative research commission or the legislative program review and investigations committee may monitor the implementation of any reorganization plan to determine the extent to which the anticipated improvements in economy, efficiency or administration have been realized as a result of the reorganization and shall report its findings to the general assembly.

(7) Funds transferred due to reorganization shall be maintained in separately designated accounts. Any excess funds resulting from a reorganization shall lapse to the general fund surplus account.

SECTION 10. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

The governor may appoint advisory or study committees to assist and recommend to him on problems concerning the various functions, organizational units and administrative bodies of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

Section 11. KRS 12.015 is amended to read as follows:

Unless specifically provided otherwise, each administrative body established by statute or *statutorily authorized* [~~the appropriate~~] executive action shall be included for administrative purposes in an existing department or program cabinet. When an administrative body is established and the law establishing it does not specify the department or program cabinet within which the body is to be included, the governor shall assign the body to an existing department or program cabinet *in accordance with this chapter.*

Section 12. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or *statutorily authorized* executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:

1. The governor.

2. Lieutenant governor.

3. Department of state.

(a) Board of elections.

4. Department of law.

(a) Consumers advisory council.

(b) Travel assistance board.

5. Department of the treasury.

6. Department of agriculture.

(a) State board of agriculture.

(b) Milk marketing and antimonopoly commission.

7. Department of education.

(a) Superintendent of public instruction.

(b) State board for elementary and secondary education.

(c) The department for elementary and secondary education.

(d) State board for occupational education.

(e) The department for occupational education.

(f) State textbook commission.

8. Auditor of public accounts.

9. Railroad commission.

II. Cabinet departments headed by appointed officers:

1. Department of finance.

(a) State property and buildings commission.

(b) Turnpike authority of Kentucky.

(c) Capital plaza authority.

(d) Kentucky pollution abatement authority.

(e) Kentucky health and geriatric authority.

(f) Kentucky savings bond authority.

(g) Spindletop foundation.

(h) Kentucky public employes deferred compensation system.

2. Department of transportation.

(a) Railroad commission.

(b) Motor vehicle dealers board.

3. Department for natural resources and environmental protection.

(a) Environmental quality commission.

(b) Soil and water conservation commission.

(c) Ohio river sanitation commission.

4. Department of justice.

(a) Kentucky crime commission.

(b) Parole board.

(c) Kentucky law enforcement council.

(d) Commission on corrections and community service.

(e) State police personnel board.

5. Department for human resources.

(a) Citizens commission for human resources.

(b) Advisory council for medical assistance.

(c) Unemployment insurance commission.

(d) Certificate of need and licensure board.

(e) Generic formulary council.

(f) Kentucky cancer commission.

(g) Statewide health coordinating council.

6. Department of energy.

(a) Bureau of energy research.

(b) Bureau of energy management.

(c) Advisory council for energy and natural resources.

(d) Energy research board.

(e) Kentucky geological survey.

Cabinet for development

Department of agriculture (headed by elected officer).

7. Department of commerce.

(a) Kentucky industrial development finance authority.

8. Department of fish and wildlife resources.

(a) Fish and wildlife resources commission.

9. Department of parks.

(a) Breaks interstate park commission.

10. Kentucky historical events celebration commission.

11. State fair board.

12. Economic development commission.

13. The governor's council on agriculture.

14. Kentucky film commission.

15. Department for local government.

16. State horse park board.

17. Office for program administration.

18. Kentucky urban development office.

19. Kentucky tobacco research board.

Cabinet for education and the arts.

20. Kentucky arts commission.

21. Bureau for the blind.

Department of education (headed by elected officer).

22. Kentucky authority for educational television.

23. Kentucky heritage commission.

24. Kentucky historical society.

25. Department of library and archives.

(a) State archives and records commission.

(b) State board for certification of librarians.

26. Advisory council for vocational education and manpower development and training.

Cabinet for public protection and regulation.

27. Department for alcoholic beverage control.

(a) Alcoholic beverage control board.

28. Department of banking and securities.

29. Department of insurance.

(a) Custodian of insurance securities.

30. Department of labor.

(a) Workmen's compensation board.

(b) Occupational safety and health standards board.

(c) State labor relations board.

31. Department of mines and minerals.

32. Kentucky registry of election finance.

33. Energy regulatory commission and utility regulatory commission.

34. Kentucky quarterhorse and appaloosa commission.

35. Kentucky state racing commission.

36. Kentucky harness racing commission.

37. Kentucky board of tax appeals.

38. Department of housing, buildings and construction.

(a) Kentucky housing corporation.

39. Board of claims.

40. Crime victims compensation board.

III. Other departments headed by appointed officers:

1. Department of military affairs.

2. Department of personnel.

(a) Personnel board.

3. Department of public information.

4. Department of revenue.

5. Human rights commission.

6. Council on higher education.

7. Teachers' retirement system.

8. Kentucky employes' retirement system.

9. Commission on women.

Section 13. KRS 12.023 is amended to read as follows:

The following *organizational units and* administrative bodies shall be attached to the office of the governor:

(1) Council on higher education (The state universities and colleges shall report through the council on higher education).

(2) Department of military affairs.

(3) Department of personnel.

(4) Department of public information.

(5) Department of revenue.

(6) Human rights commission.

(7) Teachers' retirement system.

(8) Kentucky employes' retirement system.

(9) Commission on women.

Section 14. KRS 12.027 is amended to read as follows:

When the governor effects a *temporary* reorganization under *Section 9 of this Act* [~~KRS 12.025~~], *he shall do so* by executive order *filed with the legislative research commission and the secretary of state, and* he shall clearly designate the order as one relating to reorganization. The secretary of state shall keep a copy of all executive orders relating to organization.

SECTION 15. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

As used in KRS 42.010, unless the context requires otherwise:

(1) "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by statutorily authorized executive action as a "department";

(2) "Division" means a major branch of a department established by statute or by statutorily authorized administrative action;

(3) "Administrative body" includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form or organization in the executive branch of government, but does not include "department," "program cabinet" or "division";

(4) "Program cabinet" means a group of departments, or departments and commissions, or other administrative bodies, designated by statute or statutorily authorized executive action as a "program cabinet."

Section 16. KRS 42.010 is amended to read as follows:

As used in KRS 42.023 to 42.030, unless the context requires otherwise, "state agency" means any state administrative body, [~~agency,~~] department or division as defined by *Section 15 of this Act* [~~KRS 12.010~~].

Section 17. KRS 56.440 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the state property and buildings commission.

(2) "Real estate" includes lands together with improvements thereon and appurtenances thereto.

(3) "Building" includes any structure or improvement upon real estate of a permanent nature and additionally includes any sites, structures, equipment, machinery or devices for the purpose of establishing, developing or furthering television or related services in aid of education or in aid of any other proper public functions, whether or not the same would otherwise be legally defined as buildings; but only if used or to be used by the Commonwealth of Kentucky or one of its departments or agencies (not including independent municipal corporations or political subdivisions).

(4) "Building project" includes the construction, reconstruction and structural maintenance of buildings, the installation of utility services, including roads and sewers, and the purchase and installation of equipment, facilities and furnishings of a permanent nature for buildings, and the purchase and installation initially of movable equipment, furnishings and appurtenances necessary to make a building operable, and for television or related purposes as referred to in subsection (3) of this section, for use by the state government or one of its departments or agencies, not including any independent municipal corporation or political subdivision.

(5) "State agency" means any state administrative body, agency, department or division as defined in *Section 15 of this Act* [~~KRS Chapter 12~~], or any board, commission, institution, or division exercising any function of the state but which is not an independent corporation or political subdivision.

(6) "Department" means the department of finance.

Section 18. KRS 342.350 is amended to read as follows:

(1) In order to comply with KRS 342.340 groups of employers may form, either among themselves or with employers in other states, mutual insurance associations or reciprocal or interinsurance exchanges subject to the insurance laws of this state and such reasonable conditions and restrictions not inconsistent therewith as may be fixed by the board. Membership in such mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.

(2) The board may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company

authorized to transact insurance in this state or to make such deposit with a bank or trust company of this state as shall in either case be approved by the board for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars ($100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance, shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make such a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(4) In addition, the board, under rules and regulations as it shall prescribe, may permit two (2) or more employers to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insurers. Employers securing certification as group self-insurers are regulated by the rules and regulations drawn by the workers' compensation board and are not to be in any way subject to the provisions of subsections (1), (2), and (3) of this section; provided, however, that the governor may assign the regulatory authority under this subsection to another board or agency pursuant to *Section 9 of this Act* [~~KRS 12.025~~].

On page 12, line 13, by deleting after "Section" the number "8" and inserting in lieu thereof the number "19"; and

On page 17, after line 8, by adding the following:

"Section 20. KRS 12.025, Governor's reorganization powers, is repealed."

Floor Amendment No. 2 to Committee Substitute to **HB 272,** by Representative Hines:

Amend printed copy of **HB 272,** page 1, line 6, by deleting "mem"

Page 1, line 7, by deleting "bers of the General Assembly"

Floor Amendment No. 1 to **HB 453,** by Representative Noland:

Amend printed copy of **HB 453,** page 1, line 18, by inserting a period after the word "*absence*" and adding the following: "*In the event the minutes have been destroyed or lost, leave shall be verified by affidavits from school officials*"

Page 1, line 19, by deleting all new material following "*(b) The member shall*" on lines 19, 20, 21 and lines 1, 2, 3, and 4 on page 2 and inserting the following in lieu thereof:

"*pay into the state accumulation fund such amount as is actuarially determined to be equal to the increased liability of the teachers' retirement system by virtue of such additional service credit; and*"

Floor Amendment No. 1 to Committee Substitute to **HB 510,** by Representative Cline:

Amend printed copy of Committee Substitute to **HB 510,** page 21, line 1, by adding the following:

"173.710 Definitions for KRS 173.710 to 173.810.

173.715 County or counties may become library district.

173.720 Organization of district — Procedure — Petition — Tax levy.

173.725 Library board.

173.730 Board members — Terms — Vacancies — Removal of board member.

173.735 Corporate name — Seal — Officers — Treasurer's bond — Meetings — Quorum.

173.740 Board members to receive expenses.

173.745 Powers and duties of board.

173.750	Librarians, appointment.
173.755	Treasurer of board, duties.
173.760	Records open for state audit.
173.765	Fiscal year.
173.770	Annual report.
173.775	Attorney for board, employment, authority.
173.785	Revenue bonds may be issued.
173.790	Increase or decrease in tax levy — Procedure.
173.795	Annexation of counties to district.
173.800	Dissolution of district procedure."

Floor Amendment No. 1 to Committee Substitute to **HB 531,** by Representative Moberly:

Amend printed copy of Committee Substitute to **HB 531,** page 7, line 24, by adding the following additional language:

"*(4) Nothing in this section shall be construed to give the secretary the authority to require that county or city-county boards of health join district or regional health boards.*"

Floor Title Amendment to **HB 661,** by Representative Perkins:

Amend printed copy of **HB 661,** page 1, Title, by deleting the title which reads, "AN ACT relating to fish and wildlife resources." and inserting in lieu thereof, "AN ACT relating to fish and wildlife resources commission."

Floor Amendment No. 1 to **HB 661,** by Representative Patrick:

Amend printed copy of **HB 661,** page 1, line 10, by placing brackets "[]" around and striking through "four (4)" and substituting therefor "*two (2)*"

And on page 1, line 13, by placing brackets "[]" around and striking through "a list of five (5) names" and substituting therefor "*two (2) residents available*"

And on page 1, line 21, by placing brackets "[]" around and striking through "a"

And on page 2, line 1, by placing brackets "[]" around and striking through "list of five (5)" and inserting in lieu thereof "*two (2) names of*"

And on page 2, lines 19 and 20, by placing "[]" around and striking through "from the names remaining on the list" and inserting in lieu thereof "*by appointing the other resident*"

Floor Amendment No. 2 to **HB 661,** by Representative Perkins:

Amend printed copy of **HB 661,** page 1, line 21, following the word "select" by inserting the words, "*by election*"

Floor Amendment No. 1 to **HB 676,** by Representative Williams:

Amend printed copy of **HB 676,** page 1, below line 12, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 439 IS CREATED TO READ AS FOLLOWS:

(1) Upon the release of a person from prison on parole or conditional release the department of corrections shall cause a photograph to be made of the releasee for transmission to law enforcement officials in the community where he is to reside.

(2) The department shall within ten (10) days of the release of a person on parole or conditional release send a copy of the photograph, the releasee's record, his proposed address and place of employment to the police in the city in which he is to reside and to the sheriff of the county in which he is to reside.

(3) Within ten (10) days of a parolee or conditional releasee's reporting to his parole officer the parole officer shall report in writing to the police in the city where the parolee is residing and to the sheriff of the county the present residence address and employment of the parolee or releasee.

(4) This section shall not apply to persons released to reside out-of-state."

Floor Amendment No. 2 to **HB 681,** by Representative Noe:

Amend printed copy of **HB 681,** page 2, line 21, by deleting the words "*or grants.*"

Floor Amendment No. 1 to **HB 722,** by Representative B. Richardson:

Amend printed copy of **HB 722,** page 4 of 4 after line 11, by inserting the following:

"SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

For fiscal years 1982-83 and 1983-84 five percent (5%) of all license, permit, and acreage fees, collected by the department of mines and minerals and by the department of natural resources and environmental protection and which are related to mining or minerals, shall be deposited to the credit of the mining and minerals trust fund. For fiscal 1984-85 and each year thereafter twenty percent (20%) of all such fees shall go to the fund."

Floor Amendment No. 1 to **HB 807,** by Representative List:

Amend printed copy of **HB 807,** page 28, after line 5, by adding the following language:

"Section 17. KRS 132.450 is amended to read as follows:

(1) Each property valuation administrator shall assess at its fair cash value all property which it is his duty to assess except as provided in paragraph (g) of subsection (2) of this section. In the case of securities which are regularly bought and sold through stock exchanges, the price at which such property closed on the last regular business day preceding the assessment day shall be prima facie evidence of the fair cash value of such property. The property of one (1) person shall not be assessed wilfully or intentionally at a lower or higher relative value than the same class of property of another, and any grossly discriminatory valuation shall be construed as an intentional discrimination. The property valuation administrator shall make every effort, through visits with the taxpayer, personal inspection of the property, from records, from his own knowledge, from information in property schedules, and from such other evidence as he may be able to obtain, to locate, identify, and assess property.

(2)(a) On or before March 1 of any year the owner or owners of land devoted exclusively to agricultural or horticultural use on which the property valuation administrator has placed a value in excess of the agricultural or horticultural value may file application for valuation at the agricultural or horticultural value with the property valuation administrator of the county in which the land is located, on forms prescribed by the department. This application shall be valid until the property is transferred or the land use is changed; however, the owner may elect to have the subject property assessed as other than agricultural or horticultural land for any year or years by filing a statement to that effect with the property valuation administrator prior to the close of the five (5) day period beginning on the first Monday in June. In determining the total area of such land, there shall be included the area of all land under farm buildings, greenhouses and like structures, lakes, ponds, streams, irrigation ditches and similar facilities, and garden plots devoted to growth of products for on-farm personal consumption but there shall be excluded, land used in connection with dwelling houses including, but not limited to, lawns, drives, flower gardens, swimming pools or other areas devoted to family recreation. Where contiguous land in agricultural or horticultural use in one (1) ownership is located in more than one county or taxing district, compliance with the minimum requirements shall be determined on the basis of the total area and income of such land and not the area or income of land which is located in the particular county or taxing district.

(b) Land devoted to agricultural or horticultural use, where the owner or owners have petitioned for, and been granted, a zoning classification other than for agricultural or horticultural purposes *qualifies for the agricultural or horticultural assessment until such time as the land changes from agricultural or horticultural use to the use granted by the zoning classification. At the time of the change of use, the provisions imposed by paragraph (f) of this subsection shall take effect* [~~is excluded from the provisions of paragraph (g) of this subsection~~].

(c) Real property devoted to agricultural or horticultural use by any corporation other than one organized primarily for agricultural or horticultural purposes is excluded from the provisions of paragraph (g) of this subsection.

(d) When the use of a part of a tract of land which is valued and taxed as agricultural or horticultural land is changed either by conveyance or other action of the owner, the right of the remaining land to be retained in the agricultural or horticultural classification for assessment and taxation shall not be impaired provided it meets the minimum requirements for such classification, except that land on which there has been established a systematic pattern of change of use over a period of two (2) years is excluded from the provisions of paragraph (g) of this subsection.

(e) The owner or owners of land shall not be liable for deferred taxes for any year in which the land was not assessed for agricultural or horticultural use under the provisions of paragraph (g) of this subsection.

(f) Where a change in land use occurs in any tax year the owner of such land shall be subject to the deferred tax provisions of subsection (1) of KRS 132.454 for each of the preceding two (2) tax years in which the land was valued and taxed for agricultural or horticultural purposes.

(g) When in the opinion of the property valuation administrator any land on which an application has been filed, has a value in excess of that for agricultural or horticultural use the property valuation administrator shall enter into the tax records the value of the property according to its fair cash value. When the property valuation administrator determines that the land meets the requirements for valuation as agricultural or horticultural land, the valuation for tax purposes shall be its agricultural or horticultural value.

(h) When an application for valuation of property as agricultural or horticultural is denied, the property valuation administrator shall cause written notice to be served on the property owner in the manner provided by subsection (4) of this section. The property owner may appeal such ruling to the county board of assessment appeals as provided in KRS 133.120 or in the case of a city or special district to the appropriate appeals body for the city or district.

(3) Notwithstanding any statutory provisions to the contrary, the provisions of this section and KRS 132.454 shall apply to the assessment and taxation of agricultural or horticultural land for state, county, city or special district purposes. Any city may by ordinance establish additional tax procedures which will enable it effectively to administer the provisions of this section and KRS 132.454.

(4) If the property valuation administrator assesses any property, except stocks and bonds at the market value listed in recognized publications, at a greater value than that listed by the taxpayer or assesses unlisted property, the property valuation administrator shall serve notice on the taxpayer of such action. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure.

(5) Any taxpayer may designate on the property schedule any property which he does not consider to be subject to taxation, and it shall be the duty of the property valuation administrator to obtain and follow advice from the department relative to the taxability of such property.

Floor Amendment No. 2 to Committee Substitute to **HB 810**, by Representative Lundergan:

Amend printed copy of Committee Substitute for **HB 810**, page 5, line 7, by deleting the figure "14,000," and inserting in lieu thereof the figure 38,000;

Lines 9 and 10, by deleting same in their intirety except for the paragraph number "2.";

Line 11, by deleting the paragraph number "3.", and by deleting the amount "32,000," and inserting in lieu thereof the amount 38,000;

Page 15, line 15, by deleting the amount "$24.00" and inserting in lieu thereof the amount $33.00;

Line 16, by deleting the amount "30.00" and inserting in lieu thereof the amount 41.00;

Line 17, by deleting the amount "50.00" and inserting in lieu thereof the amount 68.50;

Line 18, by deleting the amount "132.00," and inserting in lieu thereof the amount 181.50;

Line 19, by deleting the amount "160.00" and inserting in lieu thereof the amount 219.25;

Line 20, by deleting the amount "216.00" and inserting in lieu thereof the amount 296.00;

and Line 21, by deleting the amount "300.00" and inserting in lieu thereof the amount 411.00.

Floor Amendment No. 1 to Committee Substitute to **HB 810,** by Representative Morris:

Amend printed copy of Committee Substitute to **HB 810,** page 21, after line 24, by adding a new section to read as follows:

"SECTION 12. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

Every motor vehicle subject to the weight distance tax as provided in KRS 138.660 shall be issued by the department, annually, a Kentucky toll road permit which shall exempt such motor vehicle from paying tolls while traveling on Kentucky highways that are subject to toll."

Floor Amendment No. 3 to Committee Substitute to **HB 810,** by Representative Burnette:

Amend printed copy of Committee Substitute for **HB 810,** page 5, after line 15, by inserting the following language:

"*(4) Every motor carrier whose primary headquarters is situated within the Commonwealth shall be allowed to offset against the tax imposed by subsection (2) of this section all amounts paid for the use of toll roads within this state.*"

Floor Amendment No. 33 to **HB 816,** by Representative Dawahare:

Amend printed copy of **HB 816,** page 2, line 3, by inserting the following after the word "fund.":

"*The remaining one-half (½) of any excess shall be transferred directly to the one hundred twenty (120) counties based on the ratio of county population to state population.*"

Page 6, lines 3 through 26, by deleting all new material.

Floor Amendment No. 34 to **HB 816,** by Representative Moore:

Amend printed copy of **HB 816,** page 1, line 20, by inserting "*1982*" after "July 1," and placing brackets around "1981" and striking through "1981" and by inserting "seventy-five percent (75%)" after the word "to" and placing a bracket before "one-" and striking through "one"

Page 2, line 1, by striking through "half (½)" and placing a bracket after "(½)"

Page 2, line 3, by inserting "*directly to the coal producing counties. The remaining twenty-five percent (25%) of the excess shall be divided among all one hundred twenty (120) counties on the basis of county population to state population.*" and by placing brackets around "into this fund" and striking through "into this fund"

Page 5, 6 and 7, by deleting all of Section 3 and renumbering all sections following.

Floor Amendment No. 35 to **HB 816,** by Representative Brown:

Amend printed copy of **HB 816,** page 8, line 5, by adding the following language:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

There is hereby appropriated out of the general fund in the state treasury five percent (5%) of the receipts from the tax levied on the severance of coal for the purpose of constructing n airport in each coal producing county in the Commonwealth."

Floor Amendment No. 2 to **SB 2,** by Representative Crupper:

Amend printed copy of **SB 2,** page 2, line 9, by adeleting lines 9 throug 19 in their entirety

Floor Amendment No. 2 to **SB 234,** by Representative White:

Amend printed copy of **SB 234,** page 2, after line 6, by adding the following language:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

Every state-chartered and federally-chartered bank shall cash any check issued by the treasurer of the Commonwealth of Kentucky or the treasurer of the United States upon presentation of proof of identification by the payee."

Floor Amendment No. 2 to Committee Substitute to **SB 293,** by Representative Kenton:

Amend printed copy of Committee Substitute to **SB 293,** page 1, line 17, by deleting brackets around "municipal" and striking through; and

On page 1, line 18, by deleting "*on urban-county*"; and

On page 1, line 19, by deleting "*government*"; and

On page 2, line 15, by deleting ","; and

On page 2, line 16, by inserting "*and*" before "*(4)*"; and

On page 2, line 16, by deleting "*and (5)*"; and

On page 2, line 23, by deleting "*or urban-county government*"; and

On page 3, line 6, by deleting "*area*"; and

On page 3, line 6, by deleting the bracket before "county" and striking through beginning with "county" and ending with "the"; and

On page 3, line 7, by deleting strike through beginning with "first" and ending with "class" and deleting bracket after "class"; and

On page 3, line 9, by deleting "," and inserting "*and*" before "*(4)*" and by deleting "*and (5)*"; and

On page 4, by deleting lines 5 through 26 in their entirety; and

On page 5, by deleting lines 1 through 12 in their entirety and inserting in lieu thereof:

SECTION 2. A NEW SECTION OF KRS 244.210 to 244.470 IS CREATED TO READ AS FOLLOWS:

(1) In any county containing an urban county government, no premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four (24) hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a license, and said department is kept locked during the time mentioned above, he shall be deemed to have complied with this section; except that the legislative body of an urban county government in which traffic in distilled spirits and wine is permitted under KRS Chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries. Provided, however, that no distilled spirits or wine may be sold in any portion of a county containing an urban county government during the twenty-four (24) hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in subsections (2) and (3) of this section, and that no distilled spirits or wine may be sold on any election day while the polls are

still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours in which the licensee is prohibited from selling same.

(2) In any county containing an urban county government in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing an urban county government in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the legislative body of such urban county government may by resolution or ordinance submit to the electorate a proposal to permit the sale of distilled spirits and wine by the drink, on Sunday from 1 p.m. until a closing hour specified in the proposal, by hotels, motels, convention centers, restaurants and commercial airports which are licensed for the retail sale of distilled spirits and wine by the drink and which have dining facilities with a minimum seating capacity of one hundred (100) people at tables and which receive at least fifty percent (50%) or more of gross annual income from dining facilities by the sale of food. The proposal to be submitted to the electorate shall be so framed that any voter who wishes to vote in favor of such limited Sunday sales of distilled spirits and wine by the drink may signify his approval by voting "yes" and any voter who wishes to vote against such limited Sunday sales of distilled spirits and wine by the drink may do so by voting "no." Said election shall be held on a date stipulated by the legislative body and the cost of the election shall be borne by the urban county government. The proposal shall be published pursuant to KRS Chapter 424 and shall also be advertised by written or printed handbills posted at not less than five (5) conspicuous places in each precinct of the county for two (2) weeks before the election. The general election laws, including penalties for violations, shall apply to the election, except where those laws are inconsistent with the provisions of this section. Any such proposal submitted to the electorate shall be effective immediately if a majority of those voting on the proposal shall vote "yes."

(4) In any county containing an urban county government in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsections (2) and (3) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

On page 5, line 13, by changing "Section 2" to "Section 3"; and

On page 7, line 24, by inserting the following at the end of line 24: "*Provided, however, that no provision of this subsection shall apply to any portion of a county containing an urban-county government.*"

Floor Amendment No. 3 to Committee Substitute to **SB 293**, by Representative Van Horn:

Amend printed copy of Committee Substitute to **SB 293**, page 5, after line 12, by adding the following:

"*(6) Any hotel, motel, restaurant operation, convention center or commercial airport which sells liquor on Sunday shall pay each of its employes wages at a rate of not less than the minimum wage as set forth in KRS 337.275(1), the provisions of KRS 337.275(2) and KRS 337.010(2)(c)(vi) notwithstanding.*

No employer shall use all or part of any tips or gratuities received by employes toward the payment of the statutory minimum wage as required under KRS 337.275(1). Nothing, however, shall prevent employes from entering into an agreement to divide tips or gratuities among themselves."

The following meetings were announced:

Committee on Rules: On adjournment, Room 316.

Appropriations and Revenue: Thursday, 9 a.m., Room 109.

State Government: Thursday, noon.

Judiciary-Civil: Special meeting, Thursday, 10 a.m., Room 103.

Labor and Industry: Thursday, 8:30 a.m., Room 104.

Education: Friday, 9 a.m., Room 103.

Counties and Special Districts: Friday, 8:30 a.m.

Adjournment

Representative LeMaster moved that the House adjourn until 2 p.m., Thursday, March 18, 1982.

On the roll call the vote was yeas 40-Arnold, Barrows, Bendl, Bennett, Boswell, Bruce, Burch, Caldwell, Clapp, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Fryman, Gray, Hancock, Head, Hines, Johnson, Kenton, Kidd, McBee, Moberly, O'Brien, Patrick, Pearman, Petty, Priddy, Rapier, P. Richardson, F. Smith, Stumbo, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 8-Blevins, Endicott, Guenthner, Handy, Holbrook, Meyer, Perkins, Schmidt.

The motion to adjourn was adopted.

THURSDAY, MARCH 18, 1982

FORTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend George Muzny, United Church of Christ, Covington, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Pearman and P. Richardson.

Representative Overstreet moved that absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Overstreet moved that the reading of the Journal of March 17, 1982, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Education: **SB 273.**

Health and Welfare: **SB 300.**

Judiciary-Criminal: **HR 93.**

State Government: **SB 154, HR 94.**

Posting of Bills and Resolutions for Consideration

The Clerk announced **HB 368** has been posted for consideration by the Committee on Judiciary-Civil.

Report of Committees

The Committee on Rules reported **HB 471, HB 676, HB 704, HB 753, HB 681, HB 670, HB 717, HB 718, HB 34, HB 460, HB 546, HB 573, HB 668, HB 682, HB 722, HB 738, HB 810, HR 6, HJR 36, HR 65, HR 72, HR 78, HR 80, SB 219, SB 241, SB 119, SB 145, SB 168, SB 175, SB 177, SB 271,** and **SB 285** have been posted for passage in Orders of the Day, March 19, 1982.

The Committee on Rules reported **HB 232, HB 616, HB 801,** and **SB 10** have been recommitted to the Committee on Appropriations and Revenue.

The Committee on Rules reported **HR 67** has been recommitted to the Committee on State Government.

The Committee on Labor and Industry reported **HB 617,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 617, AN ACT relating to wages and hours.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Commissioner" means commissioner of labor;

(b) "Department" means department of labor;

(c) "Wages" include any compensation due to an employe by reason of his employment, such compensation to include salaries, commissions, vested vacation pay, overtime pay, severance or dismissal pay, earned bonuses and any other similar advantages agreed upon by the employer and the employe or provided to employes as an established policy; such wages to be payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such allowances made in this chapter;

(d) "Employer" is any person, either individual, corporation, partnership, agency or firm who employs an employe and includes any person, either individual, corporation, partnership, agency or firm acting directly or indirectly in the interest of an employer in relation to an employe; and

(e) "Employe" is any person employed by or suffered or permitted to work for an employer.

(2) As used in KRS 337.275 to 337.325, 337.345 and 337.385 to 337.405 unless the context requires otherwise:

(a) "Employe" is any person employed by or suffered or permitted to work for an employer, but shall not include:

(i) Any individual employed in agriculture;

(ii) Any individual employed in a bona fide executive, administrative, supervisory or professional capacity, or in the capacity of outside salesman, or as an outside collector as such terms are defined by administrative regulations of the commissioner;

(iii) Any individual employed by the United States;

(iv) Any individual employed in domestic service in or about a private home. The provisions of this section shall include individuals employed in domestic service in or about the home of an employer where there is more than one domestic servant regularly employed;

(v) Any individual classified and given a certificate by the commissioner of labor showing a status of learner, apprentice, handicapped worker, sheltered workshop employe, and student under administrative procedures and administrative regulations as prescribed and promulgated by the commissioner of labor. This certificate shall authorize employment at such wages, less than the established fixed minimum fair wage rates, and for such period of time as shall be fixed by the commissioner and stated in the certificate issued to such person;

(vi) Employes of retail stores, service industries, hotels, motels, and restaurant operations whose average annual gross volume of sales made for business done is less than ninety-five thousand dollars ($95,000) for the five (5) preceding years exclusive of excise taxes at the retail level or if the employe is the parent, spouse, child, or other member of his employer's immediate family;

(vii) Any individual employed as a babysitter in employer's home, or live-in companion to a sick, convalescing or elderly person whose principal duties do not include housekeeping;

(viii) Any individual engaged in the delivery of newspapers to the consumer;

(ix) Any individual subject to the provisions of KRS Chapters 7, 16, 27A, 30A, and 18 provided that the commissioner of personnel shall have the authority to prescribe by administrative regulation those emergency employes, or others who shall receive overtime pay rates as necessary for the efficient operation of government and the protection of affected employes;

(x) Any individual employed by a private, nonprofit child-caring facility, licensed by the department for human resources under KRS Chapter 199, whose primary function is to provide twenty-four (24) hour residential care to dependent, abused or neglected children;

(b) "Agriculture" means farming in all its branches, including the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodity, the raising of livestock, bees, furbearing animals or poultry, and any practice, including any forestry or lumbering operations, performed on a farm in conjunction with such farming operations, including the preparation and delivery of produce to storage, or to market or to carriers for transportation to market;

(c) "Gratuity" means voluntary monetary contribution received by an employe from a guest, patron or customer for services rendered;

(d) "Tipped employe" means any employe engaged in an occupation in which he customarily and regularly receives more than $20.00 per month in tips;

(e) "U.S.C." means the United States Code.

(3) As used in KRS 337.505 to 337.550 unless the context requires otherwise:

(a) "Construction" includes construction, reconstruction, improvement, enlargement, alteration or repair of any public works by contract fairly estimated to cost more than $500;

(b) "Contractor" and "subcontractor" include any superintendent, foreman, or other authorized agent of any contractor or subcontractor who is in charge of the construction of the public works or who is in charge of the employment or payment of the employes of such contractor or subcontractor who are employed in performing the work to be done or being done by the contractor or subcontractor under the particular contract with any public authority;

(c) 1. "Locality" shall be determined by the commissioner of labor. He may designate more than one county as a single locality but, if more than one county is designated, such multi-county locality shall not extend beyond the boundaries of the federal congressional district in which that county is located. In no event shall he designate less than an entire county as a locality.

2. "Locality" with respect to contracts advertised or awarded by the department of transportation of this state shall be determined by the secretary of transportation. He may designate any number of counties as constituting a single locality. He may also designate all counties of the Commonwealth as a single locality, but, in no event, shall he designate less than an entire county as a locality;

(d) "Public authority" means any officer, board, or commission of this state, or any political subdivision or department thereof in the state, or any institution supported in whole or in part by public funds, including publicly owned or controlled corporations, authorized by law to enter into any contract for the construction of public works and any nonprofit corporation funded to act as an agency and instrumentality of the government agency in connection with the construction of public building facilities, including but not limited to the types of entities funded through revenue bonds; and

(e) "Public works" includes all buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, waterworks and all other structures or work constructed under contract with any public authority.

(4) In any case where the federal government or any of its agencies furnishes by loans or grants any part of the funds used in constructing public works, and if the federal government or its agencies prescribe predetermined prevailing minimum wages to be paid to mechanics, workmen, and laborers employed in the construction of such public works and where KRS 337.505 to 337.550 is also applicable, those wages in each classification which are higher shall prevail.

Committee Substitute to **HB 617** is as follows:

HB 617, AN ACT relating to wages and hours.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.285 is amended to read as follows:

No employer shall employ any of his employes for a work week longer than forty (40) hours, unless such employe receives compensation for his employment in excess of forty (40) hours in a work week at a rate of not less than one and one-half (1 ½) times the hourly wage rate at which he is employed. This provision does not apply to employes of retail stores engaged in work connected with selling, purchasing and distributing merchandise, wares, goods, articles or commodities or to employes of restaurant, hotel and motel operations, [~~or~~] to employes as defined and exempted from the overtime provision of the fair labor standards act in sections 213(b)(1), 213(b)(10) and 213(b)(17) of title 29, U.S.C. *or to employes whose function is to provide twenty-four (24) hour residential care on the employer's premises in a parental role to children who are primarily dependent, neglected and abused and who are in the care of private nonprofit childcaring facilities licensed by the department for human resources under KRS Chapter 199.*

Calendar

HB 749, SB 31, SJR 38, HB 688, SB 220, SB 283, HB 453, HB 610, HB 732, HB 742, HB 618, HB 771, SB 197, SB 198, SB 235, SB 296, HB 302, HB 544, HB 770, SB 18, SB 204, SB 222, SB 229, SB 269, HB 330, HB 746, HB 803, SB 255, HB 657, HB 295, HB 475, HB 724, HB 6, HB 627, SB 38, SB 74, SB 96, SB 97, SB 136, SB 203, SB 206, SB 250, HB 777, HB 794, HB 639, HB 781, and **HB 272** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 123, SB 155, SB 230, SB 372, SB 396, SB 397, HB 339** with Senate Amendments, **HB 413** with Senate Amendment, and **HB 398** with Senate Amendment

Orders of the Day

HB 807, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Amendment No. 1 to **HB 807.** Agreed.

Representative Clarke moved that **HB 807,** as amended, be passed.

Representative List moved the adoption of the Floor Amendment No. 1 to **HB 807.** Agreed.

Representative Clarke moved that **HB 807,** as amended, be passed.

On the roll call the vote was yeas 60-Arnold, Barrows, Bendl, Bennett, Blevins, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Hancock, Handy, Harper, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Petty, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Worthington. Nays 21-Allen, Blandford, Boswell, Brown, Bruce, Burnette, Dawahare, Ellington, Endicott, Ford, Fryman, Haering, Head, Layman, Lefevers, Moore, Morris, Noland, Perkins, Turner, Yates.

HB 807, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 807,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 261 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 261** be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, T. Jones, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, Seum, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 0.

SB 261 was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 261** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 636, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Floor Amendment No. 1 to **HB 636.** Agreed.

Representative Meyer moved that **HB 636,** as amended, be passed.

On the roll call the vote was yeas 36-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bruce, Burch, Clark, Curd, Cyrus, Donnermeyer, Gray, Handy, Hines, T. Jones, Kenton, Lundergan, Mann, McBee, Meyer, Moberly, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, Seum, Stumbo, Thomas, Van Horn, Yates. Nays 48-Allen, Bronger, Brown, Burnette, Caldwell, Clapp, Cline, Cowan, Craddock, Crupper, Deskins, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Harper, Head, Holbrook, Holloway, Johnson, R. Jones, Layman, Lefevers, Lile, List, Long, Maggard, McNutt, Moore, Morris, Noland, O'Brien, B. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Tobin, Todd, Turner.

HB 636, as amended, was defeated.

HB 791, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved the adoption of the Committee Amendment No. 1 to **HB 791.** Agreed.

Representative Lundergan moved that **HB 791,** as amended, be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Tobin, Todd, Turner, Van Horn, Williams, Yates. Nays 1-Seum.

HB 791, as amended, was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 791,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 513, by way of Committee Substitute as amended by Floor Amendment No. 1, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Floor Amendment No. 2 to **HB 513.** Agreed.

Representative Clarke moved that **HB 513,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 513, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 513,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 809, as amended by Floor Amendment No. 1, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 809,** as amended, be passed.

On the roll call the vote was yeas 54-Arnold, Barrows, Bendl, Bennett, Blevins, Brown, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Deskins, Donnermeyer, Dunn, Foster, Gray, Hancock, Handy, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Perkins, Petty, Rapier, Richards, B. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, White. Nays 33-Allen, Blandford, Boswell, Bronger, Bruce, Burnette, Clapp, Curd, Cyrus, Dawahare, Ellington, Endicott, Farrow, Ford, Fryman, Guenthner, Haering, Heleringer, Layman, Lefevers, Lile, Moore, Patrick, Priddy, Riner, Robinson, Seum, Todd, Turner, Van Horn, Williams, Worthington, Yates.

HB 809, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 809**, as amended was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 75** and **SB 191** had been examined and found correctly enrolled. **SB 75** and **SB 191** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:50 p.m.)

Orders of the Day (continued)

SB 293, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hines moved the adoption of the Committee Substitute to **SB 293**. Agreed.

Representative Kenton moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **SB 293**.

On the roll call the vote was yeas 51-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Clark, Cowan, Crupper, Curd, Dawahare, Deskins, Dunn, Ellington, Ford, Freibert, Haering, Hancock, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Lundergan, Maggard, McBee, Meyer, Moore, Nett, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, B. Richardson, Seum, F. Smith, Stumbo, Thomas, White, Worthington, Yates. Nays 25-Allen, Burch, Burnette, Caldwell, Clapp, Cline, Donnermeyer, Farrow, Foster, Fryman, Harper, Layman, Lefevers, Lile, McNutt, Noe, Patrick, Rattliff, Riner, Robinson, Schmidt, Stone, Todd, Turner, Van Horn.

Committee Amendment No. 2 to the Committee Substitute to **SB 293** was adopted.

Representative Hines moved that **SB 293**, by way of Committee Substitute as amended, be passed.

Representative Van Horn moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **SB 293**. Rejected.

Representative Van Horn moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **SB 293**.

On the roll call the vote was yeas 63-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Caldwell, Clark, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Fryman, Gray, Haering, Harper, Heleringer, Johnson, Kenton, Layman, Lile, Long, Lundergan, Maggard, Mann, McBee, McNutt, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 14-Barrows, Bendl, Clapp, Freibert, Guenthner, Hines, Holloway, R. Jones, Kidd, LeMaster, List, Moberly, O'Brien, Rapier.

Floor Amendment No. 3 to the Committee Substitute to **SB 293** was adopted.

Representative Hines moved that **SB 293**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 43-Bendl, Bennett, Blevins, Bronger, Burch, Cowan, Deskins, Donnermeyer, Dunn, Freibert, Gray, Guenthner, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, LeMaster, List, Lundergan, Mann, McBee, Meyer, Nett, O'Brien, Perkins, Petty, Priddy, Rapier, Schmidt, Seum, F. Smith, Stumbo, Thomas, Thomason, Van Horn, Williams, Worthington, Yates. Nays 39-Allen, Arnold, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Ellington, Farrow, Ford, Foster, Fryman, Haering, Hancock, Head, Johnson, Layman, Lefevers, Lile, Long, McNutt, Moberly, Noe, Overstreet, Rattliff, Richards, Riner, Robinson, B. Smith, Stone, Todd, Turner, White.

SB 293, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Hines moved that the vote by which **SB 293,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thomason presiding.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 151, SB 165, HB 385,** and **HB 486** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 4:20 p.m.)

HB 385 and **HB 486** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HB 264, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Committee Substitute to **HB 264.**

Representative Worthington moved that his motion be withdrawn.

The Speaker ruled the motion could not be withdrawn.

Representative Worthington moved the adoption of the Committee Substitute to **HB 264.** Rejected.

Representative Worthington moved that **HB 264** be passed.

Representative Worthington moved that **HB 264** be laid on the Clerk's desk. Agreed.

HB 381 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Overstreet moved that **HB 381** be passed.

On the roll call the vote was yeas 58-Bendl, Bennett, Blandford, Blevins, Bronger, Brown, Bruce, Burnette, Caldwell, Clark, Clarke, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, List, Little, Long, Mann, McBee, McNutt, Morris, Nett, O'Brien, Overstreet, Perkins, Petty, Priddy, Richards, Riner, Schmidt, B. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Williams, Worthington. Nays 23-Allen, Arnold, Barrows, Boswell, Burch, Cline, Craddock, Crupper, Dunn, Endicott, Fryman, Guenthner, T. Jones, Lile, Lundergan, Moberly, Moore, Patrick, Rapier, Seum, F. Smith, Thomas, White.

HB 381 was passed and the title agreed to.

Representative Overstreet moved that the vote by which **HB 381** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 538, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved the adoption of the Committee Substitute to **HB 538.** Agreed.

Representative Kenton moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 538.**

Representative Meyer moved that **HB 538,** by way of Committee Substitute, be laid on the Clerk's desk. Agreed.

HB 661, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Perkins moved the adoption of the Floor Amendment No. 2 to **HB 661.** Agreed.

Representative Head moved that **HB 661,** as amended, be passed.

Representative Patrick moved the adoption of the Floor Amendment No. 1 to **HB 661.**

On the roll call the vote was yeas 17-Allen, Arnold, Bronger, Craddock, Endicott, Ford, Freibert, Fryman, Guenthner, Holbrook, Layman, Overstreet, Patrick, Schmidt, Todd, Turner, White. Nays 53-Barrows, Bendl, Bennett, Blevins, Boswell, Brown, Burch, Burnette, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Handy, Head, Hines, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Maggard, Mann, Meyer, Moberly, Moore, Morris, Nett, Noe, Perkins, Priddy, Rapier, Richards, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Worthington.

Floor Amendment No. 1 to **HB 661** was rejected.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Noland, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, B. Smith, Stone, Stumbo, Turner, Van Horn, Williams, Worthington, Nays 3-Bruce, Morris, Patrick.

HB 661, as amended, was passed.

Representative Perkins moved the adoption of the Floor Title Amendment to **HB 661.** Agreed.

Representative Head moved that the vote by which **HB 661,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 146, SB 218, SB 333, SB 340, HB 143** by way of Senate Committee Substitute, **HB 191, HB 276, HB 358, HB 392, HB 500, HB 578, HB 646,** and **HB 188** by way of Senate Committee Substitute and Senate Amendment.

SB 180 returned with the following letter: The Senate has refused to concur in the House Amendments to **SB 180** and respectfully requests this Honorable Body to recede from its amendments.

Orders of the Day (continued)

HB 156, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rattliff moved the adoption of the Committee Amendment No. 1 to **HB 156.** Agreed.

Representative Rattliff moved the adoption of the Committee Amendment No. 2 to **HB 156.** Agreed.

Representative Rattliff moved that **HB 156,** as amended, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Turner, Van Horn, Williams, Worthington. Nays 2-Clarke, Noe.

HB 156, as amended, was passed and the title agreed to.

Representative Rattliff moved that the vote by which **HB 156,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 653 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **HB 653** be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Barrows, Bendl, Bennett, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 6-Caldwell, Clarke, Freibert, Haering, Hancock, Johnson.

HB 653 was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 653** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 659, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 659** be passed.

Representative Schmidt moved the adoption of the Floor Amendment No. 1 to **HB 659.**

On the roll call the vote was yeas 25-Allen, Caldwell, Clarke, Endicott, Ford, Freibert, Fryman, Guenthner, Haering, Harper, Heleringer, Holbrook, R. Jones, Layman, Lile, Moore, Morris, Noland, Overstreet, Rattliff, Robinson, Schmidt, Todd, Turner, Williams. Nays 62-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Head, Hines, Johnson, T. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Worthington.

Floor Amendment No. 1 to **HB 659** was rejected.

Representative LeMaster moved that **HB 659** be passed.

On the roll call the vote was yeas 66-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burnette, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Hancock, Handy, Head, Hines, Holloway, Johnson, R. Jones, T. Jones, Kidd, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington. Nays 22-Allen, Caldwell, Endicott, Farrow, Ford, Freibert, Fryman, Guenthner, Haering, Harper, Heleringer, Holbrook, Layman, Lile, Moore, Noland, Rattliff, Robinson, Schmidt, Todd, Turner.

HB 659 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 659** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 674 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **HB 674** be passed.

On the roll call the vote was yeas 89-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 0.

HB 674 was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 674** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 69 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of **HJR 69.**

On the roll call the vote was yeas 68-Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Layman, LeMaster, Lile, List, Little, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington. Nays 2-Rattliff, Turner.

HJR 69 was adopted and the title agreed to.

Representative Clarke moved that the vote by which **HJR 69** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 73 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **HCR 73** be adopted.

On the roll call the vote was yeas 62-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Gray, Guenthner, Hancock, Handy, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Lile, List, Little, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Robinson, B. Smith, F. Smith, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington. Nays 10-Burnette, Ellington, Ford, Freibert, Fryman, Layman, Rattliff, Schmidt, Todd, Turner.

HCR 73 was adopted and the title agreed to.

Representative Bendl moved that the vote by which **HCR 73** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 54, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 1 to **HJR 54.** Agreed.

Representative Worthington moved that **HJR 54,** as amended, be adopted.

On the roll call the vote was yeas 65-Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Layman, LeMaster, Lile, Little, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, Robinson, Seum, F. Smith, Stone, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 3-Barrows, Foster, Schmidt.

HJR 54, as amended, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HJR 54,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 2, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 1 to **SB 2.**

Representative Mann moved that Floor Amendment No. 1 to **SB 2** be laid on the Clerk's desk.

Representative Allen moved that Floor Amendment No. 1 to **SB 2** be laid on the table.

On the roll call the vote was yeas 15-Allen, Burnette, Cline, Crupper, Curd, Ellington, Ford, Fryman, Layman, Moore, Noland, Patrick, Robinson, Todd, Turner. Nays 61-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clarke, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McNutt, Meyer, Moberly, Morris, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Van Horn, Williams.

The motion that Floor Amendment No. 1 to **SB 2** be laid on the table was rejected.

Representative Mann moved that **SB 2** be laid on the Clerk's desk. Agreed.

SB 39, with Committee Amendment attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved the adoption of the Committee Amendment No. 1 to **SB 39.** Agreed.

Representative Foster moved that **SB 39,** as amended, be passed.

On the roll call the vote was yeas 81-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 0.

SB 39, as amended, was passed and the title agreed to.

Representative Foster moved that the vote by which **SB 39,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 342, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that the House concur in the following Senate Amendment No. 1 to **HB 342:**

Amend printed copy of **HB 342** as follows:

The Senate has passed **HB 342** with the following amendment:

On page 10, line 4 by deleting after the heading "Section 2." all the language thereafter and substituting in lieu thereof the following:

KRS 160.627 is amended to read as follows:

(1) The department of revenue shall, *where that department is not acting as such,* make available to the tax collector, *or to the school district, where the department of revenue is acting as tax collector under subsection (2) of this section,* by October 1 of each year, such information as *the tax collector or the school district* [~~he~~] may request concerning the state income tax liability of *the school district* [~~county~~] residents. Such information shall be made available on a confidential basis as provided in KRS 131.190.

(2) The department of revenue, upon request by a school district, shall act as tax collector for the school tax authorized by KRS 160.621; and where so acting, KRS 160.625 notwithstanding, may in its own discretion incorporate its tax collecting duties with those of state individual income taxes under KRS chapter 141. Tax required to be paid under the provisions of this Act shall be remitted together with the state income tax return. KRS 160.500 notwithstanding, the department shall remit school excise taxes to the requesting school districts in a reasonably timely manner.

Section 3. KRS 160.633 is amended to read as follows:

The proceeds of the tax authorized by KRS 160.621 shall, *except when collected pursuant to KRS 160.627(2),* be deposited in a special fund until they have been distributed as provided in KRS 160.644.

Section 4. KRS 160.637 is amended to read as follows:

(1) "Requesting School Districts" shall mean those school districts for which the department of revenue is requested to act as tax collector under the authority of KRS 160.627(2).

(2) Reasonable expenses *not to exceed the actual costs of collection* incurred by any tax collector, *except the department of revenue,* for the administration or collection of the school taxes authorized by KRS 160.605 to 160.611, 160.613 to 160.617, and 160.621 to 160.633 shall be reimbursed by the school district boards of education on a monthly basis or on such basis as may be agreed upon by the boards of education and the tax collector. Such expenses shall be borne by the school districts on a basis proportionate to the revenue received by such districts.

(3) The following shall apply only when the department of revenue is acting as tax collector under the authority of KRS 160.627(2):

(a) When the department is requested to be the tax collector under KRS 160.627(2), the department shall estimate the costs of implementing the administration of each such tax so requested, and shall inform the requesting school district of this estimated cost. The requesting school district shall pay to the department this estimated cost referred to as "start-up costs" within thirty (30) days of notification by the department.

(b) For each calendar quarter after payment of the start-up costs, and no less than thirty (30) days before the beginning of such quarter, the department of revenue shall inform the requesting school district of costs needed to collect the tax authorized by KRS 160.621 for that calendar quarter and the requesting school district shall remit the same to the department within thirty (30) days. If any such payments are in excess of the department's actual costs of administration, or if any interest is earned on such payments,

such excess or interest will be credited to the costs for the following quarter. If any such payments are less than the department's actual costs of administration, the requesting school districts shall reimburse these additional costs within thirty (30) days of notification.

(c) All funds received by the department under the authority of paragraphs (a) and (b) of this subsection shall be deposited into an account entitled the "School Tax Fund Account," an account created within the restricted fund group set forth in KRS 45.322(1)(e). The use of these funds shall be restricted to paying the department for the costs described in paragraphs (a) and (b) of this subsection. This account shall not lapse.

(d) The department is authorized to retain a portion of the school tax revenues collected in a special account entitled the "school tax refund account" which is an account created within the restricted fund group set forth in KRS 45.322(1)(e). The sole purpose of this account is to authorize the department of revenue to refund school taxes. This account shall not lapse. Refunds shall be made in accordance with the provisions in KRS 134.580(2) and when the taxpayer has made an overpayment or a payment where no tax was due as defined in KRS 134.580(4) within four (4) years of payment.

(e) KRS 160.621 notwithstanding, when the department is acting as tax collector under the authority of KRS 160.627(5) the requesting school district is authorized to enact the tax enumerated in KRS 160.621 only at the following rates: five percent (5%), ten percent (10%), fifteen percent (15%), and twenty percent (20%) on a school district resident's state individual income tax liability as computed under KRS Chapter 141.

(f) Beginning August 1, 1982 any school district which requests the department to collect taxes under the authority of KRS 160.627(2) is required to inform the department of this request not less than 150 days prior to January 1.

(g) At no time will the department be required to collect taxes authorized in KRS 160.621 of an individual when the department is not pursuing collection of that individual's state income taxes. The department is not required to collect or defend the tax set forth in KRS 160.621 in any board or court of this state.

(h) Any overpayments of the tax set forth in KRS 141.020 or payments made when no tax was due may be applied to any tax liability arising under KRS 160.621 before a refund is authorized to the taxpayer. In no event shall any individual's tax payment be credit to the tax set forth in KRS 160.621 until all outstanding state income tax liabilities of that individual have been paid.

(i) KRS 160.510 notwithstanding, the state auditor is the only party authorized to audit the department of revenue with respect to the performance of its duties under KRS 160.621.

Section 5. Whereas, the provisions of this Act will affect both individual and corporate tax returns filed for tax year 1981, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Senate respectfully requests concurrence of this Honorable Body.

Agreed.

Representative Clarke moved that **HB 342,** as amended by the Senate, be passed.

On the roll call the vote was yeas 52-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock Curd, Dawahare, Dunn, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Maggard, McBee, Meyer, Moberly, Nett, Noe, O'Brien, Perkins, Priddy, Richards, B. Smith, F. Smith, Thomason, Tobin, Van Horn, White, Worthington. Nays 14-Allen, Brinkley, Clapp, Cyrus, Ellington, Endicott, Ford, Fryman, Gray, Haering, Moore, Rattliff, Todd, Turner.

HB 342, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 342,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

The following Floor amendments were filed to Bills and Resolutions.

Floor Amendment No. 1 to **HR 66,** by Representative Moberly:

Amend printed copy of **HR 66,** page 1, line 2 of the first Whereas clause, delete "95-211" and insert in lieu thereof "95-216"; and

on page 2, line 2, delete "H.B." and insert in lieu thereof "H.R."

Floor Amendment No. 1 to Committee Substitute to **HB 264,** by Representative Stumbo:

Amend printed copy of Committee Substitute to **HB 264,** page 2, line 15, following the word "permit" add the following language "The Fiscal Court however shall not have the authority to establish weight limits on any road that the Secretary of the Department of Transportation has issued a Resource Recovery road hauling permit pursuant to KRS Chapter 189."

Floor Amendment No. 2 to **HB 264,** by Representative Long:

Amend printed copy of **HB 264,** page 1, lines 1 thru 21

on page 2, delete lines 1 thru 15

on page 7, delete lines 5 thru 10

Floor Amendment No. 2 to Committee Substitute to **HB 531,** by Representative Burnette:

Amend printed copy of Committee Substitute to **HB 531,** page 39, line 23, by adding the following sections:

"SECTION 21. A NEW SECTION OF KRS 205.650 to 205.690 IS CREATED TO READ AS FOLLOWS:

As used in KRS 205.650 to 205.690, "recipient" shall mean recipients to the aid to families with dependent children program.

Section 22. KRS 205.650 is amended to read as follows:

The secretary shall develop community work experience programs for *aid to families with dependent children* recipients *throughout* [~~in designated geographic areas in~~] the Commonwealth through contracts with any public entity or nonprofit agency or organization and through applicable federal programs including, but not limited to the demonstration projects authorized by Title XI, Section 1115 *and Title Iv, Section 409* of the Federal Social Security Act.

(2) The community work experience programs *required* [~~enabled~~] by subsection (1) of this section shall [~~give priority to unassigned WIN registrants but the development of community work experience programs shall~~] not [~~necessarily~~] be limited to WIN counties.

(3) *Participation in community work experience programs shall be required for recipients who are unassigned mandatory work incentive program registrants residing in active work incentive program counties and for recipients who meet the criteria for mandatory work incentive program registration in non-work incentive program counties.*

(4) The community work experience programs *required* [~~enabled~~] by subsection (1) of this section shall provide for the development of the employability of recipients through actual work experience [~~and training~~]. The programs shall be designed to *provide* [~~help~~] recipients *with work experience that will enable them to move into unsubsidized employment* [~~employed under community work experience programs to move into regular public or private employment or into training or public service employment programs~~].

(5)[~~(4)~~] Community work experience programs shall be confined to projects which serve a useful public purpose such as in the fields of health, social science, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, and public safety. To the extent possible, the prior training, experience and skills of a recipient shall be utilized in making appropriate work experience assignments.

(6)[~~(5)~~] The secretary shall adopt, amend, or rescind such rules and regulations as deemed necessary or suitable for the proper administration of KRS 205.650 to KRS 205.700.

Section 23. KRS 205.660 is amended to read as follows:

(1) The secretary shall designate the procedures for inclusion of recipients within community work experience programs[~~, including the designated geographic area within which such programs shall be established~~].

(2) To the extent permitted by federal law, recipients referred by the department to a community work experience program shall, as a condition of receiving *aid to families with dependent children benefits*

[~~public assistance~~], participate in such program, except where good cause exists for failure to accept and continue to participate.

(3) To the extent permitted by federal law, *aid to families with dependent children* benefits shall be terminated to a recipient, who without good cause refuses to participate in a community work experience program; Provided, however, that benefits for the support of the child or children of such recipient shall not be reduced or terminated as a result of such refusal to participate. Any recipient who refuses without good cause to participate shall not be considered a needy relative or caretaker of a recipient child and until the former participant demonstrates willingness to participate shall not be entitled to receive or use any part of *aid to families with dependent children* [~~public assistance~~] benefits [~~except services designed to help motivate the former recipient to participate in the community work experience program~~].

(4) *Unless otherwise provided by federal law, each recipient under the plan shall participate, upon referral by the department, unless such recipient is:*

(a) Both currently employed for no fewer than eighty (80) hours a month and is earning an amount not less than the applicable minimum wage for such employment or is both earning less than the applicable minimum wage and is working not less than thirty (30) hours per week;

(b) A child who is under age sixteen (16) or attending school full time;

(c) Ill, incapacitated, or sixty-five (65) years of age or older;

(d) Residing in an area so remote from a community work experience program that the recipient's effective participation is precluded;

(e) Required in the home because of illness or incapacity of another member of the household; or

(f) A parent or other caretaker relative of a child under the age of six (6) who is caring for the child.

(5) In addition to a recipient described in subsection (4) of this section, the department may also refer for participation in program under this Act, any recipient or applicant who voluntarily chooses to participate.

(6) The secretary of the department shall provide coordination between the community work experience program operated pursuant to this Act and the work incentive program operated pursuant to Part C of Title IV of the Social Security Act so as to insure that job placement will have priority over participation in the community work experience program, and that recipients eligible to participate in both programs are not denied aid to families with dependent children benefits under the state plan on the grounds of failure to participate in one such program if they are actively and satisfactorily participating in the other. The secretary of the department may provide that part-time participation in both such programs may be required where appropriate. If the secretary elects to require part-time participation in both such programs, the secretary shall set forth in regulation the circumstances in which such dual part-time participation shall be appropriate [~~No recipient who is under seventeen (17) years of age, or who is the mother of a child six (6) years of age or under in the home, or who is otherwise employed or actively participating in training programs, education programs, or public service employment programs, or is incapacitated, shall be required to participate in community work experience programs. No mother of a child over six (6) and under thirteen (13) years of age in the home shall be required to participate in such community work experience programs unless suitable child care is available.~~]

(7) Any recipient who is dissatisfied with any requirements or conditions for his participation in a community work experience program established under this Act may file an appeal as provided under KRS 205.231.

Section 24. KRS 205.670 is amended to read as follows:

(1) A community work experience program as established under KRS 205.650 to 205.700 shall provide:

(a) Appropriate standards for health, safety, and other conditions applicable to the performance of work;

(b) That the program does not result in displacement of persons currently employed *or the filling of established unfilled position vacancies*;

(c) That the program does not apply to jobs covered by a collective bargaining agreement;

(d) Reasonable conditions of work including taking into account the geographic region, the residence of the recipient, and the proficiency of the recipient; and

(e) That recipients will not be required, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight.

(2) *For the purposes of this Act, a public entity or nonprofit agency or organization providing work experience for any recipient shall be considered as an employer for the purposes of workers' compensation under KRS Chapter 342.*

(3) Participants in community work experience programs shall not be required to:

(a) [~~Work in excess of ninety-six (96) hours in any calendar month, or~~

~~(b) Work in excess of twenty-four (24) hours in any calendar week, or~~

~~(c)~~] Work in excess of eight (8) hours during any calendar day in order to provide time to seek regular employment; *and* [~~Provided, however, that in no case shall any recipient be required to participate in a community work experience program for a period of time which would result in a total number of hours per month, which, if compared to the amount of the public assistance grant, in relation to the state or federal minimum wage, whichever is higher, would result in a ratio that would be less than such minimum wage. Nothing in this section shall be construed as requiring or permitting the payment of a public assistance grant in exchange, or as compensation, for work performed.~~]

(b) Work in excess in any month that number of hours which exceeds the number allowed by federal law or other standards that have been approved by appropriate federal agencies.

(4) Should two (2) or more persons in the same family meet the community work experience programs' eligibility requirements, the department may require each family member to work; provided that, the maximum number of hours in any month both recipients together may be required to work does not exceed the limit provided in subsection (3) of this Section.

(5) Nothing in this section shall be construed as authorizing the payment of an aid to families with dependent children benefit as compensation for work performed.

(6)[~~(3)~~] Participation in a community work experience program shall not result in any cost to a recipient. The department shall make provisions for transportation and all other costs reasonably necessary to and directly related to a recipient's participation in the program.

Section 25. KRS 205.990 is amended to read as follows:

The secretary shall *annually* submit a written report to the *legislative research commission* [~~general assembly during each regular session thereof~~] and shall upon written request, submit a written report to or appear in person before any joint interim committee of the general assembly within thirty (30) days of such request, the following information:

(1) The number of recipients, *by county,* placed in a community work experience program;

(2) The number of recipients, *by county, entering* [~~placed~~] from such program into regular *unsubsidized* full-time employment; [~~and~~]

(3) The number of recipients, by county, retaining unsubsidized full-time employment for ninety (90) days after such entry; and

(4) The costs to the commonwealth and participating local agencies or organizations of the implementation of such program.

Section 26. KRS 205.700 is amended to read as follows:

Insofar as federal law permits, a recipient of *public assistance benefits* [~~food stamp allotments~~] shall be required to participate under the same terms and conditions as recipients [~~of public assistance~~] in the *community* work experience programs created by KRS 205.650 to 205.690.

Section 27. KRS 341.295 is amended to read as follows:

(1) All fines, penalties and interest on delinquent contributions collected under KRS 341.300 shall be credited to the unemployment compensation administration fund to be used for the administration of this chapter. The state treasurer shall maintain a separate record of all money received for the unemployment compensation administration fund under this section. This money shall not be expended or available for expenditure in any manner that would permit its substitution for, or a corresponding reduction in, federal funds that would be available in its absence to finance expenditures for the administration of this chapter, *nor for the payment of benefits payable under this chapter.* But nothing in this chapter shall prevent this money from being used as a revolving fund to cover necessary and proper expenditures for which federal funds have been requested but not received, subject to the charging of such expenditures against such funds when received, or to supplement federal funds which are, in the opinion of the secretary, insufficient to properly administer this chapter. The secretary may also authorize to be charged against such money any expenditures he deems proper and desirable for the administration of this chapter and replace any money necessary under the provisions of KRS 341.610, if no other funds are available or can properly be used to finance such expenditures. The money heretofore collected and credited to the unemployment compensation contingent fund shall be transferred to the unemployment compensation administration fund and shall be available for expenditure under the provisions of this section.

(2) Money credited to the unemployment compensation administration fund shall be available for expenditure under the community work experience programs established in KRS 205.650 through KRS 205.690.

And by renumbering Section 21 and Section 28

Floor amendment No. 2 to Committee Substitute to **HB 538,** by Representative Kenton:

Amend printed copy of Committee Substitute to **HB 538,** page 15, after line 3, by inserting the following:

"Section 11. Sections 1-10 of this Act shall be effective July 15, 1984."

Floor Amendment No. 1 to **HB 600,** by Representative Moore:

Amend printed copy of **HB 600,** page 3, after line 16, by inserting the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO READ AS FOLLOWS:
When a tract of real property is held jointly, seventy-five percent (75%) or more of the joint owners may execute a lease covering the mineral rights on the whole tract. Proceeds from the lease shall be paid to each owner according to the share he holds in the property. The share of the proceeds which is due to the owners who did not join in the lease shall be placed in escrow and invested to yield the maximum rate of return for the benefit of those owners."

Floor Amendment No. 1 to Committee Substitute to **HB 657,** by Representative Thomason:

Section 51. KRS 12.010 is amended to read as follows:
[~~(1)~~] In this chapter, unless the context requires otherwise:
(1) "Organizational unit" means any unit of organization in the executive branch of the state government that is not an administrative body, including but not limited to any agency, program cabinet, department, bureau, division, section or office.
(2)[~~(a)~~] "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by *statutorily authorized* [~~appropriate~~] executive action as a "department";
(3)[~~(b)~~] "Division" means a major branch of a department established by statute or by *statutorily authorized* administrative action;
(4)[~~(c)~~] "Administrative body" *means any multi-member body in the executive branch of the state government, including but not limited to any board, council, commission, committee, authority or corporation.* [~~includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form of organization in the executive branch of government, but does not include "department," "program cabinet" or "division."~~]
(5)[~~(2)~~] "Program cabinet" means a group of departments, or departments and [~~commissions, or other~~] administrative bodies, designated by statute or *statutorily authorized* [~~appropriate~~] executive action as a "program cabinet."
SECTION 52. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:
(1) Recognizing the necessity for grouping related functions of organizational units and administrative bodies in order to promote greater economy, efficiency and improved administration, the governor may propose to the general assembly, for its approval, changes in the state government organizational structure which may include the creation, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities and records from one (1) organizational unit or administrative body to another.
(2) Recognizing that changes in the state government organizational structure may need to be made as rapidly as possible to achieve greater economy, efficiency and improved administration as the needs of government dictate, the governor may, between sessions of the general assembly, temporarily effect a change in the state government organizational structure as described in subsection (1) of this section if such temporary reorganization plan is first approved by the legislative research commission after review by the interim joint legislative committee with appropriate jurisdiction. Unless required by federal law, the governor may not effect a temporary reorganization plan under this subsection that would contravene:
(a) A constitutional or statutory provision relating to any constitutional officer or to an organizational unit headed by a constitutional officer; or
(b) A constitutional or statutory provision relating to an administrative body or to an organizational unit headed by an administrative body; or
(c) A constitutional provision relating to an organizational unit.
(3) Any reorganization proposed under subsection (1) or (2) of this section shall be set forth in a reorganization plan which shall be filed with the legislative research commission. The plan shall include:
(a) An explanation of each proposed change, including the need for the change;
(b) An estimate of any reduction or increase in expenditures, itemized as far as practicable, which the governor expects will result from the reorganization;
(c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations which the governor expects will be realized as a result of the reorganization; and
(d) Specification of the effects of the reorganization on the budget and personnel of each affected organizational unit or administrative body, including but not limited to the amount of funds and the number

of employes that will be transferred from one (1) organizational unit or administrative body to another, any reductions in the state work force resulting from the reorganization, and the methods to be utilized to achieve such reductions.

(4) When a proposed reorganization plan is submitted for approval under subsection (2) of this section the presiding co-chairman of the legislative research commission shall determine which interim joint legislative committee has appropriate jurisdiction and shall refer the plan to such committee within ten (10) days after the director of the legislative research commission receives the proposal. Prior to the legislative research commission's approving a temporary reorganization plan, the interim joint legislative committee to which it is referred shall review the plan to determine whether the plan can reasonably be expected to achieve greater economy, efficiency or improved administration in state government. The committee shall report its findings to the legislative research commission. The committee shall review and report on the plan and the legislative research commission shall act upon the plan within sixty (60) days after it is filed with the legislative research commission. If the legislative research commission finds that increased economy or efficiency or improved administration can be expected from implementation of the plan, it shall approve the plan; otherwise, it shall not approve the plan. If the commission does not act on a proposed plan within the time specified in this subsection, the plan shall be considered approved by the legislative research commission.

(5) A temporary reorganization effected by the governor under subsections (2) to (4) of this section shall be terminated ninety (90) days after sine die adjournment of the next regular session of the general assembly unless otherwise specified by the general assembly. If the general assembly fails to enact the temporary reorganization plan or an alternative to such plan, the organizational structure that existed immediately prior to the implementation of the temporary plan shall be reinstated upon the termination of the temporary plan. If the general assembly fails to enact a temporary reorganization plan, the governor shall not effect the plan prior to the next succeeding session of the general assembly.

(6) The legislative research commission or the legislative program review and investigations committee may monitor the implementation of any reorganization plan to determine the extent to which the anticipated improvements in economy, efficiency or administration have been realized as a result of the reorganization and shall report its findings to the general assembly.

(7) Funds transferred due to reorganization shall be maintained in separately designated accounts. Any excess funds resulting from a reorganization shall lapse to the general fund surplus account.

SECTION 53. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

The governor may appoint advisory or study committees to assist and recommend to him on problems concerning the various functions, organizational units and administrative bodies of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

Section 54. KRS 12.015 is amended to read as follows:

Unless specifically provided otherwise, each administrative body established by statute or *statutorily authorized* [~~the appropriate~~] executive action shall be included for administrative purposes in an existing department or program cabinet. When an administrative body is established and the law establishing it does not specify the department or program cabinet within which the body is to be included, the governor shall assign the body to an existing department or program cabinet *in accordance with this chapter.*

Section 55. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or *statutorily authorized* executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:

1. The governor.

2. Lieutenant governor.

3. Department of state.

(a) Board of elections.

4. Department of law.

(a) Consumers advisory council.

(b) Travel assistance board.

5. Department of the treasury.

6. Department of agriculture.

(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.

15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 56. KRS 12.023 is amended to read as follows:

The following *organizational units and* administrative bodies shall be attached to the office of the governor:

(1) Council on higher education (The state universities and colleges shall report through the council on higher education).
(2) Department of military affairs.
(3) Department of personnel.
(4) Department of public information.
(5) Department of revenue.
(6) Human rights commission.
(7) Teachers' retirement system.
(8) Kentucky employes' retirement system.
(9) Commission on women.

Section 57. KRS 12.027 is amended to read as follows:

When the governor effects a *temporary* reorganization under *Section 52 of this Act* [~~KRS 12.025~~], *he shall do so* by executive order *filed with the legislative research commission and the secretary of state, and* he shall clearly designate the order as one relating to reorganization. The secretary of state shall keep a copy of all executive orders relating to organization.

SECTION 58. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

As used in KRS 42.010, unless the context requires otherwise:

(1) "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by statutorily authorized executive action as a "department";

(2) "Division" means a major branch of a department established by statute or by statutorily authorized administrative action;

(3) "Administrative body" includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form or organization in the executive branch of government, but does not include "department," "program cabinet" or "division";

(4) "Program cabinet" means a group of departments, or departments and commissions, or other administrative bodies, designated by statute or statutorily authorized executive action as a "program cabinet."

Section 59. KRS 42.010 is amended to read as follows:

As used in KRS 42.023 to 42.030, unless the context requires otherwise, "state agency" means any state administrative body, [~~agency,~~] department or division as defined by *Section 58 of this Act* [~~KRS 12.010~~].

Section 60. KRS 56.440 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the state property and buildings commission.

(2) "Real estate" includes lands together with improvements thereon and appurtenances thereto.

(3) "Building" includes any structure or improvement upon real estate of a permanent nature and additionally includes any sites, structures, equipment, machinery or devices for the purpose of establishing, developing or furthering television or related services in aid of education or in aid of any other proper public functions, whether or not the same would otherwise be legally defined as buildings; but only if used or to be used by the Commonwealth of Kentucky or one of its departments or agencies (not including independent municipal corporations or political subdivisions).

(4) "Building project" includes the construction, reconstruction and structural maintenance of buildings, the installation of utility services, including roads and sewers, and the purchase and installation of equipment, facilities and furnishings of a permanent nature for buildings, and the purchase and installation initially of movable equipment, furnishings and appurtenances necessary to make a building operable, and for television or related purposes as referred to in subsection (3) of this section, for use by the state government or one of its departments or agencies, not including any independent municipal corporation or political subdivision.

(5) "State agency" means any state administrative body, agency, department or division as defined in *Section 58 of this Act* [~~KRS Chapter 12~~], or any board, commission, institution, or division exercising any function of the state but which is not an independent corporation or political subdivision.

(6) "Department" means the department of finance.

Section 61. KRS 342.350 is amended to read as follows:

(1) In order to comply with KRS 342.340 groups of employers may form, either among themselves or with employers in other states, mutual insurance associations or reciprocal or interinsurance exchanges subject to the insurance laws of this state and such reasonable conditions and restrictions not inconsistent therewith as may be fixed by the board. Membership in such mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.

(2) The board may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company authorized to transact insurance in this state or to make such deposit with a bank or trust company of this state as shall in either case be approved by the board for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars ($100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance, shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make such a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.

(4) In addition, the board, under rules and regulations as it shall prescribe, may permit two (2) or more employers to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insurers. Employers securing certification as group self-insurers are regulated by the rules and regulations drawn by the workers' compensation board and are not to be in any way subject to the provisions of subsections (1), (2), and (3) of this section; provided, however, that the governor may assign the regulatory authority under this subsection to another board or agency pursuant to *Section 52 of this Act* [~~KRS 12.025~~].

on page 89, line 17, by changing "51" to "62"

on page 89, between lines 18 and 19 by adding the following: "12.025 Governor's reorganization powers"

on page 90, line 6 by changing "52" to "63

Floor Amendment No. 1 to **HB 667,** by Representative Kenton:

Amend printed copy of **HB 667,** on page 2, line 11, by deleting "*pursuant to the provisions of KRS Chapter 424*" and inserting in lieu thereof: "*in the daily newspaper which has the largest bona fide circulation in the county and is published in the publication area*"

Floor Amendment No. 1 to **HB 670,** by Representative LeMaster:

Amend printed copy of **HB 670,** on page 1, line 14, by placing a period after "*area*" and deleting the remainder of the line; and delete lines 15, 16, 17 and in their entirety

delete pages 4 and 5 in their entirety;

on page 6, delete lines 1 thru 21 in their entirety and insert in lieu thereof the following: "*(6) "Special levy business" means: Any hotel, motel, inn, resort, or lodging facility; restaurant, snack bar, cafeteria or dining facility; marina or dock; gift shop, crafts shop or antique shop; golf course or complex for tennis, racquetball, or any other tourism-related facility located in a tourism development district.*"

on page 8, by deleting lines 1 thru 26 in their entirety;

on page 9, by deleting lines 1 thru 17 in their entirety and inserting in lieu thereof the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

A tourism development district shall be eligible for cooperative advertising and promotion funds under the office of tourism development's matching funds program. Requests from tourism development districts shall receive priority in allotting undistributed and contingency funds of such program"

on page 10, line 2, after "*county.*", delete the remainder of the line

delete lines 3 and 4 in their entirety and delete on line 5 *of such tourism development district.*

page 10, line 26, add after "*Act*" and before the period, the following: "*in accordance with the provisions of KRS Chapter 13*"

Floor Amendment No. 1 to **HB 746,** by Representative Lundergan:

Amend printed copy of **HB 746,** on page 7, by deleting lines 7 through 26 in their entirety and on page 8, by deleting lines 1 through 24 in their entirety and by inserting in lieu thereof:

8.0% and over	*0.30%*	*0.40%*	*0.50%*	*0.60%*	*1.00%*
7.0% but under 8.0%	*0.40%*	*0.50%*	*0.60%*	*0.80%*	*1.05%*
6.0% but under 7.0%	*0.50%*	*0.60%*	*0.70%*	*0.90%*	*1.10%*
5.0% but under 6.0%	*0.70%*	*0.80%*	*1.00%*	*1.20%*	*1.40%*
4.6% but under 5.0%	*1.00%*	*1.20%*	*1.40%*	*1.60%*	*1.80%*
4.2% but under 4.6%	*1.30%*	*1.50%*	*1.80%*	*2.10%*	*2.30%*

3.9% but under 4.2%	*1.50%*	*1.70%*	*2.20%*	*2.40%*	*2.70%*
3.6% but under 3.9%	*1.80%*	*1.80%*	*2.40%*	*2.60%*	*3.00%*
3.2% but under 3.6%	*2.00%*	*2.10%*	*2.50%*	*2.70%*	*3.10%*
2.7% but under 3.2%	*2.10%*	*2.30%*	*2.60%*	*2.80%*	*3.20%*
2.0% but under 2.7%	*2.20%*	*2.50%*	*2.70%*	*2.90%*	*3.30%*
1.3% but under 2.0%	*2.30%*	*2.60%*	*2.80%*	*3.00%*	*3.40%*
0.0% but under 1.3%	*2.40%*	*2.70%*	*2.90%*	*3.10%*	*3.50%*
-0.5% but under -0.0%	*6.50%*	*6.75%*	*7.00%*	*7.25%*	*7.50%*
-1.0% but under -0.5%	*6.75%*	*7.00%*	*7.25%*	*7.50%*	*7.75%*
-1.5% but under -1.0%	*7.00%*	*7.25%*	*7.50%*	*7.75%*	*8.00%*
-2.0% but under -1.5%	*7.25%*	*7.50%*	*7.75%*	*8.00%*	*8.25%*
-3.0% but under -2.0%	*7.50%*	*7.75%*	*8.00%*	*8.25%*	*8.50%*
-4.0% but under -3.0%	*7.75%*	*8.00%*	*8.25%*	*8.50%*	*8.75%*
-6.0% but under -4.0%	*8.25%*	*8.50%*	*8.75%*	*9.00%*	*9.25%*
-8.0% but under -6.0%	*8.50%*	*8.75%*	*9.00%*	*9.25%*	*9.50%*
Less than -8.0%	*9.00%*	*9.25%*	*9.50%*	*9.75%*	*10.00%*

Floor Amendment No. 2 to **HB 746,** by Representative Lundergan:

Amend printed copy of **HB 746,** on page 18, after line 6, by inserting the following:

"*(5) Notwithstanding the provisions of this section, the maximum weekly benefit amount shall not be increased by more than ten dollars ($10.00) in any given year.*"

Floor Amendment No. 3 to **HB 746,** by Representative Lundergan:

Amend printed copy of **HB 746,** on page 22, after line 1, by inserting the following new sections and by renumbering the remaining section accordingly:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the unemployment insurance oversight committee which shall consist of six (6) members including the co-chairmen of the interim joint committee on labor and industry. The other four (4) members shall be representatives of management and labor and shall be appointed by the governor. One (1) member shall represent large employers and shall be selected from a list of nominees submitted by the Kentucky chamber of commerce; one (1) member shall represent small employers and shall be selected from a list of nominees submitted by the Small Business Task Force of the Kentucky General Assembly; and two (2) members shall represent labor and shall be selected from a list of nominees submitted by the Kentucky AFL-CIO. Each of the four (4) members shall be appointed on the effective date of this Act and shall serve staggered terms as follows: the representative of large employers shall serve until July 15, 1983; the representative of small employers shall serve until July 15, 1984; and the representatives of labor shall serve until July 15, 1985. Thereafter, each member shall serve for a term of three (3) years and until a successor is appointed and qualified.

(2) The governor shall appoint one (1) member as chairman; Vacancies for unexpired terms shall be filled in the same manner as original appointments, but the appointee shall hold office only to the end of the unexpired term.

(3) The governor may at any time remove any member for cause after furnishing him a written copy of the charges against him and providing a public hearing if requested.

(4) Four (4) members shall constitute a quorum for the purpose of transacting business.

(5) The director of the division of unemployment insurance shall provide the necessary office space, staff, information, and supplies as needed by the oversight committee for the conduct of its business. The division shall also be responsible for reimbursing the members of the oversight committee for their actual and necessary expenses incurred in performing their duties as members of the committee.

SECTION 8. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

(1) The oversight committee shall monitor the unemployment insurance trust fund and the administration of the unemployment insurance program. The committee shall serve to effect improved administration of the unemployment insurance program within the state.

(2) The oversight committee shall make recommendations annually to the legislative research commission on matters relating to the solvency of the unemployment insurance trust fund and more efficient administration of the unemployment insurance program."

Floor Amendment No. 4 to **HB 746,** by Representative Lundergan:

Amend printed copy of **HB 746,** on page 22, after line 1, by inserting the following new sections and by renumbering the remaining section accordingly:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the unemployment insurance oversight committee which shall consist of six (6) members including the co-chairmen of the interim joint committee on labor and industry. The other four (4) members shall be representatives of management and labor and shall be appointed by the governor. One (1) member shall represent large employers and shall be selected from a list of nominees submitted by the Kentucky chamber of commerce; one (1) member shall represent small employers and shall be selected from a list of nominees submitted by the Small Business Task Force of the Kentucky General Assembly; and two (2) members shall represent labor and shall be selected from a list of nominees submitted by the Kentucky AFL-CIO. Each of the four (4) members shall be appointed on the effective date of this Act and shall serve staggered terms as follows: the representative of large employers shall serve until July 15, 1983; the representative of small employers shall serve until July 15, 1984; and the representatives of labor shall serve until July 15, 1985. Thereafter, each member shall serve for a term of three (3) years and until a successor is appointed and qualified.

(2) The governor shall appoint one (1) member as chairman; Vacancies for unexpired terms shall be filled in the same manner as original appointments, but the appointee shall hold office only to the end of the unexpired term.

(3) The governor may at any time remove any member for cause after furnishing him a written copy of the charges against him and providing a public hearing if requested.

(4) Four (4) members shall constitute a quorum for the purpose of transacting business.

(5) The director of the division of unemployment insurance shall provide the necessary office space, staff, information, and supplies as needed by the oversight committee for the conduct of its business. The division shall also be responsible for reimbursing the members of the oversight committee for their actual and necessary expenses incurred in performing their duties as members of the committee.

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(2) The oversight committee shall make recommendations annually to the legislative research commission on matters relating to the solvency of the unemployment insurance trust fund and more efficient administration of the unemployment insurance program.

SECTION 9. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

It shall be the responsibility of the secretary to annually update and maintain the unemployment insurance Mercer Computerized Model and to make this model available to the legislative research commission through the computer facilities of the commission."

Floor Amendment No. 5 to **HB 746,** by Representative Lundergan:

Amend printed copy of **HB 746** on page 22, after line 1, by inserting the following new section and by renumbering the following section accordingly:

SECTION 7. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

It shall be the responsibility of the secretary to annually update and maintain the unemployment insurance Mercer Computerized Model and to make this model available to the legislative research commission through the computer facilities of the commission.

Floor Amendment No. 6 to **HB 746,** by Representative Van Horn:

Amend printed copy of **HB 746,** on page 18, beginning after line 6, delete "Section 6" in its entirety and insert in lieu thereof the following Section 6 and renumber remaining sections accordingly:

"Section 6. KRS 341.470 is amended to read as follows:

(1) No agreement by a worker to waive, release, or commute his rights to benefits or any other rights under this chapter shall be valid. No agreement by any worker to pay any portion of a subject employer's

contributions, required under this chapter from such subject employer, shall be valid. No subject employer shall directly or indirectly make or require or accept any deductions from wages to finance the subject employer's contributions required of him, or require or accept any waiver by a worker of any right hereunder.

(2) No worker claiming benefits shall be charged fees of any kind in any proceeding under this chapter by the commission, the commissioner or his representatives. Any worker claiming benefits in any proceeding before the commission or a court may be represented by counsel or other duly authorized agent; but no counsel or agent shall either charge or receive for such service more than an amount approved by the commission. *Representation by a duly authorized agent, other than counsel, for the purposes of said provision shall not constitute the unauthorized practice of law.*

(3) No assignment, pledge or encumbrance of any right to benefits due or payable under this chapter shall be valid; and such rights to benefits shall be exempt from levy, execution, attachment, or any other remedy for the collection of debt. Benefits received by any worker, as long as they are not mingled with other funds of the recipient, shall be exempt from any remedy for the collection of all debts except debts incurred for necessaries furnished to such worker or his spouse or dependents during the time such worker was unemployed. No waiver of any exemption provided for in this subsection shall be valid."

Floor Amendment No. 7 to Committee Amendment No. 1 to **HB 746,** by Representative Van Horn:

Amend printed copy of **HB 746,** on page 2, beginning on line 16, by deleting subsection (6) and by inserting the following new subsection (6):

"*(6) The term "misconduct" as used in paragraph (b) of subsection (1) of this section shall be construed to mean conduct evincing willful and wanton disregard of any employer's interest or a carelessness or negligence of such degree or recurrence as to show an intentional or substantial disregard of the employer's interest.*"

Floor Amendment No. 4 to Committee Substitute to **HB 810,** by Representative Stumbo:

Amend printed copy of Committee Substitute for **HB 810,** page 23, after line 25, by adding the following:

SECTION 12. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.

(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation. On or before August 15, 1983 and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources have been transported as reported in the transportation plan required by KRS 143.030(1). The department shall further publish the total county mileage of the official natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county.

SECTION 13. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Such permit shall be issued upon application by an individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources and has filed an application for a certificate of registration in accordance with KRS 143.030. Any operator shall apply for the resource recovery road hauling permits by September 1, 1982.After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time as the tax collected under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources transported by the permittee over the roads of the Commonwealth, except as provided by in Section 6(4) of this Act.

(5) No person shall transport natural resources over the highways of the Commonwealth in excess of the weight limits without possessing any resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation.

(6) Every motor carrier operating under a resource recovery road hauling permit issued pursuant to this section shall be exempt from the tax imposed under the provisions of KRS 138.660(2).

SECTION 14. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 2 of this Act.

(2) The form prescribed by the department shall include the following information:

(a) Resource recovery road hauling permit number;

(b) Weight of the vehicle including load;

(c) Motor carrier registration number and the name of the motor carrier operator;

(d) The name of the mining company or individual operator;

(e) The motor carrier destination; and

(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

SECTION 15. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 3(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members to be appointed by the governor from a list submitted by the secretary of the department of transportation. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year, two (2) members shall be appointed for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition, the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 2(4) of this Act, state appropriations gift, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties, except that the first one million five hundred thousand dollars ($1,500,000) generated by the resource recovery road hauling permit fee shall be deposited in the road fund each fiscal year.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 2(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties, except that the first one million five hundred thousand dollars ($1,500,000) generated by the resource recovery road hauling permit fee shall be deposited in the road fund for fiscal year 1982-83.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, may review said operator's transportation plan; if it is determined that the roads and bridges included in said plan are sufficient to withstand proposed traffic volume, the secretary may allow the issuance of a permit at a reduced fee. The fee shall not be lower than one-tenth (1/10) of one (1) percent.

SECTION 18. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the transportation plans as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the transportation plan as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 2(4) of this Act and distribute said funds in accordance with the provisions in Section 8 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road systems within six (6) months of receipt of the distributed funds. Any distributed funds not expended within six (6) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 19. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 2(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of total resource recovery mileage in a county as designated by the transportation plan filed under KRS 350.060 and the ratio of total resource recovery road mileage as designated by said plan.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program.

Floor Amendment No. 36 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, after line 4, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 96 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provisions to the contrary, Franklin County shall be the only county in this Commonwealth in which any nuclear power facilities may be developed. It is further established that the only type of facility authorized by this Act shall be of the "fast breeder-reactor" type.

Section 7. There is hereby appropriated from the local government economic assistance fund for the purposes of site development under the provisions for implementation in this Act $1,000,000."

Floor Amendment No. 37 to **HB 816,** by Representative Noe:

Amend printed copy of **HB 816,** page 8, after line 4, by adding a new section to read as follows:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any statutory provisions to the contrary, the county of Franklin of this Commonwealth shall be designated as a nuclear waste disposal zone within which one or more nuclear waste disposal facilities may be located.

Section 7. There is hereby appropriated from the local government economic assistance fund for the purposes of implementation of this Act, $10,000,000."

Floor Amendment No. 4 to **HB 320,** by Representative Gray:

Amend printed copy of **HB 320,** on page 2, lines 3-4, after the word "of" by inserting the words "*natural resources and environmental protection*" and placing brackets arounds the word "Transportation"

and on page 2, lines 5-6, after "(8)" by deleting the language "*Commission" means the commission of water patrol*" and inserting the words "*Bureau" means the bureau of natural resources*"

and on page 2, lines 11-12, after "(11)" by inserting the following language: "*Division of water patrol means water enforcement section, bureau of natural resources; (12)*"

and on page 2, line 18, after the word "the" by deleting the word "*commission*" and inserting "*division*" in lieu thereof

and on page 2, line 20, before the bracket, by deleting the word "*governor*" and inserting the word "*secretary of the department for natural resources and envioronmental protection*" in lieu thereof

and on page 2, line 22, after the word "The" by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 2,lines 24-25, after the words "assigned to the" by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 3, line 3, after the word "the" by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 3, line 25, after the word "the" by deleting the word "*commission*" and inserting the word "*division*" in lieu thereof

and on page 4,line 12, by deleting the word "*commission*" and inserting the words "*division of water patrol*" in lieu thereof

and on page 4, line 13, by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 4, lines 17-18, by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 4, lines 21-22, by deleting the word "*commission*" and removing the brackets from around the word "division" and on page 5, line 1, by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 5, line 2, before the word "[~~enforcement~~]" by inserting the following language: "*with the approval of the secretary of the department for natural resources and environmental protection*"

and on page 5, line 8, before the word "The" by inserting "*(1)*"

and on page 5, line 8, after the word "The" by inserting "*secretary of the department for natural resources and environmental protection*" and placing brackets around the word "commissioner"

and on page 5, line 8, after the word "of" by deleting the words "*water patrol*"

and on page 5, line 9, by deleting "*its*" and inserting "*the*" in lieu thereof

and on page 5, line 9, after the word "employes" by inserting "*of the division*"

and on page 6, line 1, after the word "Commonwealth." by inserting the following language:

"*(2) The water patrol officers shall be authorized to possess and use radio communication equipment capable of receiving and transmitting on state police radio frequency. The bureau of state police shall cooperate with the division of water patrol for the purpose of radio communication of water patrol officers when any assistance is necessary.*"

and on page 6, line 4, after the word "the" by deleting the word "*commission*" and inserting the words "*director of the*"

and on page 6, line 5, after the word "the" by inserting the following: "*secretary of the department for natural resources and environmental protection*" and placing brackets around "commissioner"

and on page 6, line 16, after the word "*the*" by deleting the word "*commission*" and inserting the word "*division*" in lieu thereof

and on page 6, lines 18-21, after "(2)" by deleting the lines in their entirety

and on page 6, line 22, by deleting "*(3)*"

and on page 8, line 7, after "(7)" by deleting the following language: "*Commission" means commission on water patrol*" and inserting "*Department" means the department for natural resources and environmental protection, and the water enforcement program of the bureau of natural resources*"

and on page 8, line 10, after the word "~~police~~." by inserting the following language:

"Section 11. KRS Chapter 235.080 is amended to read as follows:

(1) The annual registration fee for motorboats shall be based upon the following:

1 foot through 15 feet 11 inches	$*10.00*[~~5.00~~]
16 feet through 25 feet 11 inches	*14.00*[~~7.00~~]
26 feet through 39 feet 11 inches	*20.00*[~~10.00~~]
40 feet and over	*24.00*[~~12.00~~]
All inboards and inboard/outboards	*24.00*[~~12.00~~]

Every application shall be accompanied by the registration fee above set out.

(2) The annual registration fee for motorboats for hire from a livery shall be the registration fees set forth in subsection (1) above. Owners of a livery shall apply for licenses or certificates in the manner provided in this chapter, but the department may promulgate special rules and regulations relating to their certification and registration.

Section 12. Whereas, an adverse situation with regard to boating and water safety is now occurring, and emergency is declared to exist, and this Act shall be effective upon its passage and approval by the Governor, and the pro rata share of the water enforcement budget shall be transferred to the division of water patrol within the department for natural resources and environmental protection."

and on page 8, lines 11-26, by deleting the lines in their entirety and on page 9, lines 1-26, by deleting the lines in their entirety

and on page 10, lines 1-26, by deleting the lines in their entirety

and on page 11, lines 1-26, by deleting the lines in their entirety

and on page 12, lines 1-26, by deleting the lines in their entirety

and on page 13, by lines 1-26, by deleting the lines in their entirety

Floor Amendment No. 1 to to Committee Substitute to **HB 549,** by Representative Maggard:

Amend printed copy of Committee Substitute to **HB 549,** on page 30, after line 8, by inserting the following:

"Section 11. KRS 393.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Banking organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, or a private banker engaged in business in this state;

(b) "Business association" means any corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals;

(c) "Financial organization" means any savings and loan association, building and loan association, credit union, cooperative bank or investment company, engaged in business in this state;

(d) "Life insurance corporation" means any corporation or association transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities;

(e) "Claim" means to demand payment or surrender of property from the person whose duty it is to pay the claimant, or surrender to him the property involved;

(f) "Commissioner" means the Commissioner of Revenue;

(g) "Department" means the Department of Revenue;

(h) "Person" means any individual, state or national bank, partnership, joint stock company, business, trust, association, corporation, or other form of business enterprise, including a receiver, trustee or liquidating agent.

(2) This chapter does not apply to bonds of counties, cities, school districts or other tax levying subdivisions of this state [~~or to any money, funds or other intangible property at any time held or owing for any minerals or other raw materials capable of being used for fuel in the course of manufacturing, processing, production, or mining. The provisions of this paragraph shall be effective retroactively to all such moneys, funds or other intangible property held or owing by any person on June 1, 1960 or thereafter.~~]."

and on page 30, line 9, by changing "Section 11" to "Section 12"

and on page 30, line 15, by changing "Section 12" to "Section 13"

and on page 30, line 17, by inserting after "of Sections 1 through 10 of"

Floor Title Amendment to Committee Substitute to **HB 549,** by Representative Maggard:

Amend printed copy of Committee Substitute to **HB 549,** on page 1, the title, by deleting "AN ACT relating to the levy and assessment of property taxes on unmined minerals" and substituting in lieu thereof: "AN ACT relating to revenue and taxation"

Floor Amendment No. 5 to **HB 810,** by Representative Gray:

Amend printed copy of **HB 810,** page 1, lines 1 through 26, by deleting all of the language on lines 1 through 26;

and on pages 2 through 23 by deleting all the language on pages 2 through 23 and inserting in lieu the following:

"Section 1. KRS 281.752 is amended to read as follows:

The bureau *shall* [~~may, by regulation,~~] prescribe and charge a fee, *of five dollars ($5.00)* [~~not to exceed two dollars ($2.00)~~] in each instance, for the issuance of such identifying plates, decals, cards, signs or papers, for the identification of motor vehicles, which vehicles have been qualified for, and have been granted reciprocal privileges in Kentucky in regard to motor vehicle registration fees and highway use taxes. The commissioner may by reciprocal agreement with the proper officials of other jurisdictions waive such fees applicable to residents of such other jurisdictions which afford like privileges to residents of Kentucky.

Section 2. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the bureau may issue a trip permit for each motor vehicle for a fee of *twenty dollars ($20.00)* [~~ten dollars ($10.00)~~] for each permit.

(2) Application for a license or trip permit shall be made to the bureau and shall contain such information as the bureau deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the bureau a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the bureau shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the bureau, or if the bureau is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the bureau may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The bureau shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the bureau.

Section 3. KRS 189.270 is amended to read as follows:

(1) The bureau may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles and housetrailers whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects fail to comply with the requirements of this chapter. Permits may be issued by the bureau for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of the highways as the bureau may, in its discretion, require. The bureau shall require, as a condition to the issuance of the permit, that the applicant pay a *fee of thirty dollars ($30.00) for each overweight or overdimension permit; a fee of twenty dollars ($20.00) for each single trip house trailer permit; a fee of eighty dollars ($80.00) for each annual house trailer permit;* [~~reasonable fee, to be fixed by it,~~] and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles and housetrailers in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the bureau may require, in his possession.

(2) No person shall operate any motor vehicle or housetrailer in violation of the terms of the permit.

Section 4. KRS 281.620 is amended to read as follows:

(1) Every applicant for a certificate or permit or for amendment or transfer or sale or change in route or abandonment of a certificate or permit shall apply for same to the bureau in such form and the application shall contain such matters as the bureau may prescribe.

(2) For the filing of such application the bureau shall receive a fee of *fifty dollars ($50.00)* [~~twenty-five dollars ($25.00)~~].

(3) Every applicant seeking to have a commodity removed from the exempt list shall do so by a petition to the bureau, setting out the item and the reasons for the removal of same, and said petition should be in such form as the regulations may prescribe.

(4) For the filing of such application as set out in subsection (3) above and the calling of the hearing as provided in KRS 281.625 the bureau shall receive a fee of twenty-five dollars ($25.00) and an additional amount equal to the postage expense to be incurred in mailing the required notices of such hearing.

Section 5. KRS 281.650 is amended to read as follows:

(1) Every certificate or permit shall be renewed before January 1 of each year. Application for renewal shall be in such form as the bureau may require.

(2) No motor vehicle shall be operated after January 1 of each year unless the requisite fee as hereinafter provided for is paid.

(3) A certificate or permit not renewed within one (1) calendar year after renewal date shall automatically become null and void and cannot be reinstated. Nothing herein contained shall prohibit the filing of a new application.

(4) The bureau shall not renew any certificate or permit if such certificate or permit has been revoked, or if suspended, during the period of suspension. A certificate or permit shall not be considered as revoked or suspended when an appeal is pending in the Franklin Circuit Court or in the Court of Appeals from an order of revocation or suspension until said appeal has been decided by the courts.

(5) For the renewal of any certificate or permit the bureau shall receive a fee of *fifty dollars ($50.00)* [~~twenty-five dollars ($25.00)~~].

Section 6. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be *fifteen dollars and seventy-five cents ($15.75)* [~~eleven dollars and fifty cents ($11.50)~~].

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ *33.00*[~~24.00~~]
10,001-14,000	*41.00*[~~30.00~~]
14,001-18,000	*68.50*[~~50.00~~]
18,001-22,000	*181.50*[~~132.00~~]
22,001-26,000	*210.00*[~~160.00~~]
26,001-32,000	*296.00*[~~216.00~~]
32,001-38,000	*411.00*[~~300.00~~]
38,001-44,000	*649.25*[~~474.00~~]
44,001-55,000	*745.25*[~~544.00~~]
55,001-62,000	*805.50*[~~588.00~~]
62,001-73,280	*1027.50*[~~750.00~~]
73,281-82,000	*1150.00*[~~840.00~~]

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

[~~(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.~~

~~(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.~~]

(8)[~~(10)~~] Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(9)[~~(11)~~] Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(10)[~~(12)~~] The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(11)[~~(13)~~] The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(12)[~~(14)~~] (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

Section 7. KRS 138.565 is amended to read as follows:

(1) *An excise tax at the rate of twelve and one-half percent (12.5%) of the average wholesale price as defined by KRS 138.210(10) is hereby levied and shall be paid by the special fuels dealer to the department:* [~~An excise tax at the rate levied in KRS 138.22 and computed on the average wholesale price as defined in KRS 138.210(10) is hereby levied and shall be paid by the special fuels dealer to the department:~~]

(a) For all special fuels delivered into any tank or other container equipped with a hose or other apparatus designed to dispense such fuels into the fuel supply tank of a motor vehicle except when such deliveries are made to another licensed special fuels dealer. The tax imposed by this section shall not apply to special fuels delivered into storage facilities of consumers or persons engaged in the business of selling special fuels for use in motor vehicles when such special fuels are to be sold or used for nonhighway purposes and provided that the storage facilities for such special fuels have been approved and identified as nontaxable storage pursuant to regulations of the department provided that the department may not refuse to approve such nontaxable storage except for adequate cause.

(b) For all special fuels withdrawn by any special fuels dealer and dispensed into the fuel supply tank of a motor vehicle. An allowance of one percent (1%) of the tax shall be made to the special fuels dealer to cover unaccountable losses, bad debts, and handling and reporting the tax. For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the special fuels dealer to collect the tax, it shall be presumed that all special fuels delivered by any special fuels dealer within this state are taxable unless the contrary is established by the special fuels dealer pursuant to regulations prescribed by the department.

(2) No other excise or license tax shall be levied or assessed on special fuels by any political subdivision of the state.

SECTION 8. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) In order to prevent unjust enrichment resulting from the consumption or sale of special fuels on or after the date on which any state special motor fuels taxes are increased, upon which a tax of only nine percent (9%) of the average wholesale price has been paid, the additional taxes due thereon shall be reported, paid and collected in the manner provided by KRS 138.225.

Section 9. KRS 138.660 is amended to read as follows:

(1) Every motor carrier shall pay a tax at the rate levied in KRS 138.220, *138.565, or 234.320, whichever is applicable, and computed on the average wholesale price as defined in KRS 138.210(10), on the amount of gasoline, special fuels, or liquified petroleum gas motor fuel used in operations on the public highways of this state* [~~and computed on the average wholesale price as defined in KRS 138.210(10) on the amount of gasoline and at the same rate on the amount of special fuels used in operations on the public highways of this state.~~

~~(2) In addition to the tax imposed in subsection (1) of this section, if the motor carrier is a heavy equipment motor carrier as defined in KRS 138.655, he shall pay a surtax at the rate of two percent (2%)~~

~~of the average wholesale price as provided in subsection (1), on the amount of gasoline and special fuels used in operations on public highways of this state~~].

(2)[~~(3)~~] The tax levied under subsections (1) and (2) of this section shall be computed and paid as provided in KRS 138.690.

Section 10. KRS 138.690 is amended to read as follows:

The tax imposed by *subsection* [~~subsections~~] (1) [~~and (2)~~] of KRS 138.660 shall be determined as follows: The total number of gallons of gasoline and special fuels used during the taxable period in the licensee's operations on the public highways in Kentucky shall be multiplied by the tax rate.

Section 11. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1) and (2) of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220, *138.565, or 234.320, whichever is applicable,* and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline and special fuels purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period *or* [~~and~~] the tax imposed by KRS 138.220, [~~and~~] KRS 138.565, *and 234.320* has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the bureau shall be furnished by each such licensee claiming the credit herein allowed.

(2) The bureau shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the bureau during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the bureau within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the bureau, the cost to the bureau of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the bureau shall prescribe what records must be kept by the licensee or any other person and the bureau shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 12. KRS 138.755 is amended to read as follows:

(1) Within thirty (30) days subsequent to the enactment of federal law either decreasing gasoline, diesel, or special motor fuels tax rates, or increasing related tax credits, the attorney general of this state shall issue a finding confirming such a federal action and detailing the amount of such a tax rate reduction or tax credit increase. Within thirty (30) days subsequent to such an attorney general's finding, the department of revenue shall formally announce the extent by which the corresponding state gasoline, special fuels, or liquefied petroleum gas motor fuels taxes shall be increased pursuant to the provisions of KRS 138.220(2), 138.565(3), 138.660*(1)*[~~(2)~~] and 234.320(2).

(2) KRS 138.220(2), 138.565(3), 138.660*(1)*[~~(2)~~] and 234.320(2) shall become effective ninety (90) days subsequent to the enactment of federal law which either decreases gasoline, diesel, or special motor fuels tax rates, or increases related tax credits."

Floor Amendment No. 1 to **SB 135**, by Representative Thomason:

Amend printed copy of **SB 135**, page 1, line 12, by inserting after the word "*subcommittee*" the following: "*to which it is referred*"; and,

on page 1, line 14, by deleting "*subcommittee and the interim*" and inserting in lieu thereof "*legislative research commission*"; and,

on page 1, line 15, by deleting "*committee with appropriate jurisdiction*"; and

on page 2, by deleting line 1 in its entirety and inserting in lieu thereof "*when the legislative research commission or a subcommittee of the legislative research commission to which it has been referred*"; and,

on page 2, line 2, by deleting "*interim committee*"; and,

on page 2, line 4, by inserting after "*emergency*" the word "*regulation*"; and,

on page 2, between lines 4 and 5, by inserting the following:

"Section 2. KRS 13.080 is amended to read as follows:

As used in KRS 13.080 to 13.125:

(1) "Administrative body" means each state board, bureau, commission, department, division, authority, officer, or other entity, except the legislature and the courts, authorized by law to make regulations.

(2) "Subcommittee" means administrative regulation review subcommittee *or any other subcommittee of the legislative research commission.*

(3) "Regulation" means each statement of general applicability issued by an administrative body that implements, interprets, or prescribes law or policy, or describes the organization procedure, or practice requirements of any administrative body. The term includes the amendment or repeal of a prior regulation, but does not include:

(a) Statements concerning only the internal management of an administrative body and not affecting private rights or procedures available to the public, or

(b) Declaratory rulings, or

(c) Intradepartmental memoranda, or

(d) Statements relating to acquisition of property for highway purposes and statements relating to the construction or maintenance of highways, or

(e) Rules, regulations, and policies of the governing boards of institutions of higher education pertaining to students attending or applicants to such institutions or to the control and maintenance of land and buildings occupied by the respective institutions.

(4) "Affirmative consideration" means that an administrative body must either adopt suggestions or recommendations regarding a regulation or issue a concise statement setting forth the reasons for not adopting suggestions or recommendations regarding a regulation.

(5) Compliance with the provisions of KRS 13.080 to 13.125 does not dispense with the requirements of any other law necessary to make the regulation effective."; and

on page 2, line 5, by deleting "2" and inserting in lieu thereof "*3*"; and

on page 2, line 22, by inserting after the word "submitted" the words "*by the legislative research commission*"; and

on page 2, line 22, by inserting after "to" the words "*one of its subcommittees*"; and

on page 2, line 22, by inserting a bracket before "the" and striking through the words "administrative regu-"

on page 2, line 23, by striking through "lation review subcommittee" and by inserting a bracket after "subcommittee"; and,

on page 2, line 25, by inserting after the word "the" the words "*legislative research commission*; and

on page 2, line 25, by inserting a bracket before "administrative" and by striking through the words "administrative regulation review subcom-"; and

on page 2, line 26, by inserting a bracket by striking through "mittee" and by inserting a bracket after "mittee"; and

on page 3, line 1, by inserting a bracket before "The" and by striking through the "The proposed regulation is reviewed and"; and,

on page 3, by striking through all the words on lines 2 and 3; and,

on page 3, line 4, by striking through "(e)" and by inserting a bracket after "(e)"; and

on page 5, line 22, by deleting "2" and inserting in lieu thereof "*3*"; and,

on page 6, line 19, by inserting after "mitted" the words "*by the legislative research commission to one of its subcommittees*"; and

on page 6, line 19, by inserting a bracket before "the" and by striking through "the administrative regulation review subcommit-"; and,

on page 6, line 20, by striking through "tee" and by inserting a bracket after "tee; and on page 6, line 23, by inserting before "If" and by striking through "If the subcom-"; and,

on page 6, by striking through all words on lines 24 and 25; and,

on page 6, line 26, striking through "subcommittee shall accept the regulation" and by inserting a bracket after the word "regulation."; and,

on page 7, line 1, by inserting after "does" the words "*or does*"; and

on page 7, line 3, by inserting a bracket before "promulgating" and by striking through "promulgating administra-"; and,

on page 7, line 4, strining through "tive body and to the director of the" and by inserting a bracket after "of the"; and

on page 7, line 5, by inserting after "commission." the following language:

"*If the legislative research commission finds that a regulation conforms to statutory authority and carries out the legislative intent, the commission shall accept the regulation.*"; and,

on page 7, line 5, by bracketing and striking through "subcommittee" and by inserting before the bracket the preceding "subcommittee" the word "*commission*"; and

on page 7, line 9, by bracketing and striking through "subcommittee" and by inserting before the opening bracket "*commission*"; and

on page 7, line 13, by inserting a bracket before "by" and by striking through "by the subcommittee" and by inserting a bracket after "subcommittee"; and,

on page 7, line 14, by inserting a bracket before and after and by striking through "subcommittee" and by inserting after "The" the word "*commission*"; and,

on page 7, line 22, by bracketing and striking through "subcommittee's" and by inserting after "the" word "*commission's*"; and,

on page 7, line 23, by inserting a bracket before and striking through "sub-"; and

on page 7, line 24, by inserting "*commission*" before "committee."; and,

on page 7, line 24, by striking through and inserting a bracket after "committee"; and,

on page 7, line 25, by deleting "*subcommittee*" and inserting in lieu thereof "*commission*"; and,

on page 7, line 26, by inserting "*commission's*" before the word "subcommittee's" and by inserting a bracket before and after and striking through the word "subcommittee's"; and,

on page 8, line 1, by inserting "*commission*" before "subcommittee" and by inserting brackets around and striking through "subcomittee";

on page 8, line 3, by inserting "*staff*" after "commission"; and

on page 8, line 5, by inserting "*commission*" before "subcommittee" and striking brackets around and striking through "subcommittee"; and,

on page 8, line 6, by inserting a bracket before "In" amd by striking through all words on line 6; and

on page 8, by striking through lines 7 through 12 in their entirety; and

on page 8, line 13, by striking through "most recent session of the general assembly" and by inserting a bracket after "assembly."; and on page 8, line 15, by inserting "*commission*" before "sub-" and by inserting a bracket before striking through "sub-"; and

on page 8, line 16, by striking through and inserting a bracket after "committee"; and,

on page 8, line 18, by inserting "*(8)*" before "(9)" and by bracketing and striking through "(9)"; and,

on page 8, line 19, by inserting a bracket before "The" and by striking through all the words on page 8, lines 19 through 26; and

on page 9, by striking through lines 1 through 22 in their entirety; and

on page 9, line 23, by striking through and inserting a bracket after "(8)"; and

on page 10, line 2, by inserting "*(8)*" before "(9)" and by bracketing and striking through "(9)"; and

on page 10, line 3, by inserting "*commission or one of its subcommittees*" and by inserting a bracket before "subcommittee" and after "committee" and by striking through "subcommittee or interim committee"; and

on page 10, line 4, by inserting "*commission's*" before "subcommittee's" and by inserting a bracket before "subcommittee" and after "committee's" and by striking through "subcommittee's" and the interim committee's"; and,

on page 10, line 15, by inserting "*commission*" before "subcommittee" and by inserting a bracket before "subcommittee" and by striking through "subcommittee or"; and

on page 10, line 16, by striking through "interim committee" and by inserting a bracket after "committee"; and

on page 10, line 21 by inserting "*(9)*" before "*(10)*" and by bracketing and striking through "(10)"; and,

on page 10, line 26, by inserting "*commission*" before "subcommit-" and by inserting a bracket before and striking through "subcomit-"; and

on page 11, line 1, by striking through "tee"; and,

on page 11, line 2, by inserting "*(8)*" before "(9)" and by bracketing and striking through "(9)"; and,

on page 11, by inserting between lines 7 and 8 the following:

"SECTION 5. A NEW SECTION OF KRS CHAPTER 13 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of law, when the general assembly is not in session, no administrative regulation made by any administrative body, after the effective day of this Act, except an emergency regulation, shall become effective until accepted by the legislative research commission.

(2) Until an administrative regulation is accepted by the legislative research commission, it shall be of no force and effect.

(3) If the provisions of this section are held to be unconstitutional, no administrative body shall have authority to promulgate any regulations, notwithstanding any other provision of the law."; and

on page 11, lines 8 and 9, renumber sections accordingly.

Floor Amendment No. 1 to **SB 137,** by Representative Williams:

Amend printed copy of **SB 137,** page 2, after line 4, add new section of KRS Chapter 365 to read as follows:

Every gasoline service station shall have restroom facilities available to the public.

Floor Amendment No. 2 to **SB 175**, by Representative Barrows:

Amend printed copy of **SB 175**, page 15, on line 7, after the word "the" by adding the words "*exception that the*" and

on line 7 after the word "office" by placing brackets around the word "to" and striking through and inserting in lieu thereof the word "*shall*"

and on line 8 after the letters "trict" by placing brackets around the word "manager" and striking through and inserting in lieu thereof the words "*engineer in the manner and with the same qualifications existing prior to Executive Order 80-741,*

Floor Amendment No. 1 to **SB 233**, by Representative Priddy:

Amend printed copy of **SB 233**, page 9, line 3, following Section 1, add the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO READ AS FOLLOWS:

(1) The department shall amend its administrative regulations to include within the state uniform building code for new construction as provided by KRS 198B.050 and the standards of safety for existing buildings as provided by KRS 227.300, requirements that in all new and existing non-owner occupied single and multi-family dwelling units, hotels, motels, rooming houses, tourist homes, dormitories, or other buildings designed or used for sleeping purposes that there be installed U.L. (underwriters laboratories) approved single station smoke detectors suitable to warn the occupants of such structures as provided in this section.

(2) For non-owner occupied single or two-family dwelling units such detectors shall be battery or AC powered. For all other structures such used for sleeping purposes such detectors shall be AC powered.

(3) Within each dwelling unit there shall be a detector located in each corridor of the building which gives access to the rooms used for sleeping purposes, and in addition in each multi-family dwelling there shall be a detector in each centrally located common area of the building.

(4) The detection equipment provided for in this section shall be installed in accordance with the national standards known as the National Fire Protection Association (NFPA) pamphlets 72A-72E-74, 1980 additions.

If an automatic smoke detection system is presently installed in any of the occupancies listed in this section and the equipment as installed and approvable by the present uniform building code of local ordinances, it will not be necessary to replace the system until either the system becomes inoperable or the building is substantially renovated.

(5) The owners of buildings used for sleeping purposes shall be responsible for the maintenance and testing of detectors located in common areas and tenants of the individual dwelling units therein shall be responsible for the maintenance and testing of detectors within their exclusive control. Tenants shall notify the owner of any malfunction of a detector and the owner shall correct such malfunction within ten (10) days. Unless replacement parts are not locally obtainable, then an additional twenty (20) days is allowed. If not repairable within thirty (30) days then it shall be temporarily or permanently replaced.

(6) The chief state building official shall insure compliance with this section before issuing an occupancy permit in accordance with KRS 198B.060(8) for newly constructed or renovated buildings if of an occupancy classification listed in this section.

(7) The state fire marshal shall insure compliance with this section before issuing an approval after inspection in accordance with KRS 227.220(3)(b) for an existing building if of an occupancy classification listed above in this section.

(8) No local government building inspector or fire safety inspector shall issue an occupancy permit or approval for buildings not in compliance as required in this section.

Floor Amendment to No. 3 to **SB 234**, by Representative Dawahare:

Amend printed copy of **SB 234**, page 2, after line 6, by inserting the following:

"Section 2. KRS 287.190 is amended to read as follows:
(1) Any bank or trust company organized under the laws of this state, may, subject to subsection (2):

(a) Accept for payment at a future date, drafts or bills of exchange drawn upon it by its customers, and issue letters of credit authorizing the holders thereof to draw drafts upon it or its correspondents at sight or on time, not exceeding one (1) year;

(b) Accept drafts or bills of exchange drawn upon it, having not more than six (6) months' sight to run, growing out of transactions involving the importation or exportation of goods; and

(c) Discount acceptances which are based upon the importation or exportation of goods, and which have a maturity at time of discount of not more than *six (6)* [~~three (3)~~] months and are indorsed by at least one (1) other bank or trust company.

(2) No bank or trust company shall accept drafts or bills of exchange to an amount equal at any time in the aggregate to more than one-half (½) of its paid-up and unimpaired capital stock and surplus, except by authority of the director of banking under such general regulations as the director prescribes, and in no event to an amount exceeding the capital stock and surplus."

Floor Amendment No. 1 to **SB 250,** by Representative Holbrook:

Amend printed copy of **SB 250,** page 4, after line 3, by adding the following:

"Section 2. KRS 289.705 is amended to read as follows:

(1) Notwithstanding any restrictions elsewhere contained in this chapter the commissioner may prescribe, amend and repeal regulations authorizing state-chartered savings and loan associations to make any loans *and any investments,* [~~and~~] accept savings accounts and deposits, and provide for the payments of dividends or interest thereon, *and other matters* under the same terms, conditions, limitations, restrictions and safeguards which such associations could make or do were they operating as federal savings and loan associations at the time such authority is granted, provided that such regulations shall have as their objective the placing of state-chartered savings and loan associations on a substantial, competitive, operating parity with federal savings and loan associations, in order that the dual system of savings associations may be preserved.

(2) Nothing herein contained shall be construed to repeal, modify or alter the restrictions of subsection (4) of KRS 289.061 with respect to branching."

Floor Amendment No. 1 to **SB 269,** by Representative T. Jones:

Amend printed copy of **SB 269,** page 23, after line 17, add the following:

"Section 21. KRS 395.326, Nomination of successor trustee by testamentary trustee, is repealed."

Floor Amendment No. 1 to **SB 291,** by Representative Freibert:

Amend printed copy of **SB 291,** page 1, line 1, by inserting the words "Section 1." in front of the words "The general assembly"

and on page 2, line 22, by adding the following new section:

"Section 2. The general assembly hereby does not confirm and forbids the transfer of the functions and management of crippled childrens services within the bureau for health services to any district health department except upon the advice and consent of the crippled children's medical advisory committee."

Representative Meyer moved that **HB 538,** by way of Committee Substitute, be taken from the Clerk's desk and placed in Orders of the Day for Friday, March 18, 1982.

On the roll call the vote was yeas 45-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Handy, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Lile, List, Long, Lundergan, Maggard, Mann, McBee, Meyer, Nett, Noe, Priddy, Rapier, Seum, F. Smith, Thomas, Thomason, Tobin, Worthington. Nays 14-Allen, Ellington, Ford, Foster, Fryman, Guenthner, Harper, Layman, Moberly, Moore, Schmidt, Stone, Todd, Van Horn.

The motion that **HB 538,** by way of Committee Substitute, be taken from the Clerk's desk and placed in Orders of the Day for Friday, March 18, 1982 was adopted.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Noe, **HB 722;** Representative Kenton, **HB 770.**

The following members requested that their names be withdrawn as co-sponsor of Bills and Resolutions: Representative F. Smith, **HB 816;** Representative Bendl, **HB 816;** Representative Maggard, **HR 2.**

Representative Tobin moved the adoption of the following Legislative Citation No. 59:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Breckinridge County's Girls' Basketball Team and their fine Coach, Denny LaGrange, championship winners of the third region. We are proud that your achievement grants you the coveted privilege of entering the Girls' "sweet 16" at Eastern State University Coliseum, Richmond, Kentucky March 17-20, 1982. Your record of 22-7 reflects the master plan of connecting on a winning combination comprised of balance and ability. We commend you, Tigers, for an outstanding season which qualifies you for state competition. This body applauds you for your fine accomplishments and the honor and pride you have bestowed on your school, community and the Commonwealth of Kentucky. (Sponsored by Representative Tobin).

Agreed.

Representative Maggard requested that his name be removed from the discharge petition on **HR 2.** Agreed.

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolution

HR 95, by Representative Patrick: A RESOLUTION requesting a study of royalty payments made pursuant to natural gas leases.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Judiciary-Criminal: **SB 93.**

State Government: **SB 329.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HB 652, SB 37, SB 65, SB 129, HB 51, HCR 70.**

Education: **SB 364.**

State Government: **HB 603, HR 81.**

Banking and Insurance: **SB 252, SB 308.**

Report of Committees

The Committee on Judiciary-Civil reported **HB 600,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 600, AN ACT relating to eminent domain.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 416.540 is amended to read as follows:

(1) "Condemn" means to take [~~private~~] property for a public purpose under the right of eminent domain;

(2) "Condemnor" shall mean and include any person, corporation or entity, including the Commonwealth of Kentucky, its agencies and departments, county, municipality and taxing district authorized and empowered by law to exercise the right of eminent domain;

(3) "Condemnee" means the owner of the property interest being taken;

(4) "Court" means the circuit court;

(5) "Property" means real or personal property, or both, of any nature or kind that is subject to condemnation;

(6) "Eminent domain" means the right of the Commonwealth to take for a public purpose and shall include the right of private persons, corporations or business entities to do so under authority of law.

Section 2. KRS 416.580 is amended to read as follows:

(1) The circuit court, or in the absence of the circuit judge from the county, the circuit court clerk, shall appoint as commissioners three (3) *real estate brokers residing in the circuit, licensed by the Kentucky real estate commission. If there are not three (3) such brokers available in the circuit, the court or the clerk shall obtain from the Kentucky real estate commission the names and addresses of brokers to make up the deficiency and shall appoint from that list. The circuit judge or clerk, in appointing commissioners, shall as nearly as possible, select persons residing near or in the region of the property being condemned. The Kentucky real estate commission shall maintain an up-to-date roster of names and addresses of real estate brokers for the enforcement of this section* [~~impartial housekeepers of the county who are owners of land~~]. They shall be sworn to faithfully and impartially discharge their duties under this section. The commissioners shall view the land or material sought to be condemned and award to the owner or owners such a sum as will fairly represent the reduction in the market value of the entire property, all of or a portion of which is sought to be condemned, said sum being the difference between the market value of the entire property immediately before the taking and the market value of the remainder of the property immediately after the taking thereof, together with the fair rental value of any temporary easements sought to be condemned. Within fifteen (15) days from the date of their appointment they shall return a written report to the office of the circuit court, stating the above values in their award and shall describe in their report the property sought to be condemned. They shall be allowed a reasonable fee which shall be taxed as costs.

(2) In the event any person appointed to serve as commissioner fails, refuses or becomes incapable of acting, the court, or judge thereof shall forthwith appoint a qualified person to fill the vacancy. A majority of the commissioners appointed and qualified have the power to act and to make and sign the award and report. If a majority of the commissioners do not agree on a decision, three (3) new commissioners shall be appointed by the court on application by any of the parties to the action.

Committee Substitute to **HB 600** is as follows:

HB 600, AN ACT relating to eminent domain.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 416.540 is amended to read as follows:

(1) "Condemn" means to take [~~private~~] property for a public purpose under the right of eminent domain;

(2) "Condemnor" shall mean and include any person, corporation or entity, including the Commonwealth of Kentucky, its agencies and departments, county, municipality and taxing district authorized and empowered by law to exercise the right of eminent domain;

(3) "Condemnee" means the owner of the property interest being taken;

(4) "Court" means the circuit court;

(5) "Property" means real or personal property, or both, of any nature or kind that is subject to condemnation;

(6) "Eminent domain" means the right of the Commonwealth to take for a public purpose and shall include the right of private persons, corporations or business entities to do so under authority of law.

Section 2. KRS 416.580 is amended to read as follows:

(1) The circuit court, or in the absence of the circuit judge from the county, the circuit court clerk, shall appoint as commissioners three (3) *landowners, one (1) of whom shall be a real estate broker residing in the circuit, licensed by the Kentucky real estate commission. If there is not one (1) such broker available in the circuit, the court or the clerk shall obtain from the Kentucky real estate commission the names and addresses of brokers and shall appoint from that list. The circuit judge or clerk, in appointing such real estate broker as a commissioner, shall as nearly as possible, select a person residing near or in the region of the property being condemned. The Kentucky real estate commission shall maintain an up-to-date roster of names and addresses of real estate brokers for the enforcement of this section* [~~impartial housekeepers of the county who are owners of land~~]. They shall be sworn to faithfully and impartially discharge their duties under this section. The commissioners shall view the land or material sought to be condemned and award to the owner or owners such a sum as will fairly represent the reduction in the market value of the entire property, all of or a portion of which is sought to be condemned, said sum being the difference between the market value of the entire property immediately before the taking and the market value of the remainder of the property immediately after the taking thereof, together with the fair rental value of any temporary easements sought to be condemned. Within fifteen (15) days from the date of their appointment they shall return a written report to the office of the circuit court, stating the above values in their award and shall describe in their report the property sought to be condemned. They shall be allowed a reasonable fee which shall be taxed as costs.

(2) In the event any person appointed to serve as commissioner fails, refuses or becomes incapable of acting, the court, or judge thereof shall forthwith appoint a qualified person to fill the vacancy. A majority of the commissioners appointed and qualified have the power to act and to make and sign the award and report. If a majority of the commissioners do not agree on a decision, three (3) new commissioners shall be appointed by the court on application by any of the parties to the action.

The Committee on State Government reported **HB 497, HB 684, HR 40, HCR 66, SB 17, SB 107, SB 131, SB 150, SB 277, SB 291,** and **SJR 41** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 497, AN ACT relating to sick leave retirement credit.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.546 is amended to read as follows:

(1) Any member of the Kentucky employes retirement system or the state police retirement system who is employed by the Commonwealth shall, on retirement, receive credit for unused sick leave accrued in the state service in accordance with this section.

(2) Upon the member's notification of retirement as prescribed in KRS 16.576 or 61.590, the employer shall certify the retiring employe's unused, accumulated sick leave balance to the board of trustees of the Kentucky retirement systems. The member's sick leave balance, expressed in days, shall be divided by the average number of working days per month in the state service and rounded to the nearest number of whole months. A maximum of *twelve (12)* [~~six (6)~~] months of the member's sick leave balance, expressed in months, shall be added to his service credit for the purpose of determining his annual retirement allowance under KRS 16.510 to 16.552 or KRS 61.510 to 61.702. Such sick leave balance shall not be used for the purpose of determining whether the member is eligible to receive a retirement allowance under KRS 16.510 to 16.652 or KRS 61.510 to 61.702.

(3) The board shall compute the cost to the retirement system of the sick leave credit of each retiring member and shall bill the last employer of the retiring employe for such cost. The employer shall pay the cost of such service credit by interaccount charge.

HB 684, AN ACT relating to the office of state geographer.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 151 IS CREATED TO READ AS FOLLOWS:

(1) There is created the office of state geographer which shall be attached to the university of Kentucky department of geography. The state geographer shall be appointed by the governor and shall serve at the governor's pleasure. The state geographer shall serve without compensation.

(2) The state geographer shall be a person who holds a graduate degree in geography from an accredited college or university and who has demonstrated a professional knowledge of Kentucky geography through his teaching or research activities.

(3) To the extent funds permit, the state geographer shall:

(a) Advise state officials and agencies on geographic matters;

(b) Serve as a resource for teachers of geography and for publishers of geography textbooks and atlases;

(c) Assist state and local officials with boundary studies;

(d) Advise state and local agencies on mapping and cartographic programs;

(e) Assist state and local officials with planning, zoning and land-use studies;

(f) Cooperate with other states in exchanging geographic information; and

(g) Compile, analyze and disseminate geographic information necessary to perform the foregoing duties.

HR 40, A RESOLUTION inviting the McLain Family Band of Berea, Kentucky to open a session of the House of Representatives with a song.

WHEREAS, the McLain Family Band of Berea, Kentucky has upheld and fostered the Commonwealth's proud tradition of bluegrass music; and

WHEREAS, the music of the McLain Family Band portrays the story of the common folk and the daily happenings which color their lives; and

WHEREAS, the members of the McLain Family Band have attained international status as bluegrass celebrities; and

WHEREAS, the McLain Family Band is an exemplary representative of the Commonwealth as it tours across our great nation and throughout foreign countries as well; and

WHEREAS, the McLain Family Band recently performed before a "standing room only" audience at Carnegie Hall in New York City;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the McLain Family Band is hereby extended an invitation to appear before the House of Representatives on Thursday, March 25, 1982, and open the session with a song.

Section 2. That this honorable body is proud to hail the members of the McLain Family Band as outstanding citizens and representatives of the Commonwealth.

Section 3. That the McLain Family Band is hereby accorded congratulations upon the occasion of their performance at Carnegie Hall and that the House extends best wishes to the band throughout its international engagements and travels.

Section 4. That the Clerk of the House is directed to transmit a copy of this resolution to the McLain Family Band of Berea, Kentucky.

HCR 66, A CONCURRENT RESOLUTION requesting passage of H.R. 10533, repeal of the government pension offset, by the United States Congress.

WHEREAS, effective December 1982, Section 334 of Public Law 95-211, the social security amendments of 1977, will reduce the social security benefits of a surviving spouse to the extent the surviving spouse receives benefits in the Kentucky teachers' retirement system; and

WHEREAS, if a member's retirement benefits from the teachers' retirement system exceed the benefits payable from the spouse's social security, the retired teacher will not receive any benefit payments from social security; and

WHEREAS, this proposed reduction is unfair because it will result in a reduction of retirement income to thousands of Kentucky teachers and teachers in twelve other states who have a vested right in the benefit payments; and

WHEREAS, H.R. 10533, which would repeal Section 334, has been introduced in the United States House of Representatives; and

WHEREAS, there has been a move to amend and delay passage of H.R. 10533;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States approve H.B. 10533 and restore full benefit eligibility to the teachers of Kentucky.

Section 2. That a copy of this resolution be sent to each member of the Kentucky Congressional delegation, to the Chairman of the Ways and Means Committee, and to the Chairman of the Subcommittee on Social Security of the Ways and Means Committee.

SB 17, AN ACT relating to audits.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 7.330 is amended to read as follows:

The commission may:

(1) Perform an audit or investigation of any accounts, books and other financial records of the state government, or of any officer, department, board, bureau, institution, commission, agency, or other unit, of the state;

(2) Examine and audit any fiscal books, records and accounts of custodians of public funds, and of disbursing officers of the state, making independent verification of all assets, liabilities, revenues and expenditures of the state and agencies of the state;

(3) Review and evaluate any program supported in whole or in part by state appropriation. In any instance in which a program review indicates inadequate operating or administrative system controls or procedures, inaccuracies, waste, extravagance, unauthorized or unintended activities or programs, or other deficiencies, the commission may report its findings to the general assembly;

(4) Perform audit of any agency, private or semiprivate agency or organization receiving state funds *and review audits of such agencies to ascertain that recommendations are implemented within sixty (60) days after issuance of the final audit report under KRS 43.090(1); such reviews may be made by the appropriate interim committee as determined by the commission*;

(5) The commission may, at any time, study or review any matter relative to program activities of any state department, agency, or institution;

(6) Require the assistance of any executives and officials, auditors, accountants, and other employes of any agency at any time in the inspection, examination and audit of books, accounts and records.

Section 2. KRS 43.090 is amended to read as follows:

(1) Immediately upon completion of each audit and investigation, except those provided for in KRS 43.070, the auditor shall prepare a report of his findings and recommendations. He shall furnish one (1) copy of the report to the head of the agency to which the report pertains, one (1) copy to the governor, one (1) copy to the secretary of the department of finance, *one (1) copy to the legislative research commission* and one (1) copy to the state librarian. *The agency to which an auditor's draft report pertains shall respond in writing to any adverse or critical audit findings and to any recommendations contained in the draft report within fifteen (15) days of receipt of the draft report. The auditor shall distribute the agency's response to those entitled by this subsection to a copy of the audit report. Within sixty (60) days of the completion of the final audit report, the agency to which an auditor's report pertains shall notify the legislative research commission and the auditor of the audit recommendations it has implemented and of the audit recommendations it has not implemented. The agency shall state the reasons for its failure to implement any recommendation made in the final audit report. The auditor* [~~He~~] shall prepare and transmit to each member of the general assembly, by December 15 immediately preceding the convening of each regular session of the general assembly, a printed report of his activities, summarizing the findings and recommendations in his report on each audit or investigation made since the last preceding biennial report to the general assembly *listing, by state agency, the audit recommendations that have not been implemented and the reason(s) given by state agencies for non-implementation*, and presenting such other findings and recommendations as he sees fit to make. He shall file a copy of this report with the governor and five (5) copies with the state librarian. All audit reports shall be public documents to which taxpayers shall have access.

(2) The auditor shall, within a reasonable time after the examination of each county as provided in KRS 43.070, make a written report to the governor, the general assembly, the attorney general, the county officials' compensation board, the state librarian and to the fiscal court and county attorney of the county examined, calling attention in specific terms to any mismanagement, misconduct, misapplication or illegal appropriation or extravagant use of money received or disbursed by any officer of the county examined. In

addition, said report shall be sent to a newspaper having general circulation in the county examined and the letter of transmittal accompanying the report shall be published in said newspaper in accordance with the provisions of KRS chapter 424.

SB 107, AN ACT relating to the Interstate Emergency Management and Disaster Compact.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 39.401 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Disaster and emergency response" means the preparation for and the carrying out of all emergency functions, other than functions for which military forces are primarily responsible, to prevent, minimize, and repair injury and damage resulting from fire, flood, tornado, other natural or man caused disasters, riot, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies or other causes, and the threatened or impending happening of any of the above, and in order to insure that preparations and response for this state will be adequate to deal with disaster or emergencies or the threat of same. These functions include, without limitation, fire fighting services, police services, medical and health services, ambulance service, rescue, search and rescue, engineering, warning services, communications, radiological, chemical and other monitoring, decontamination and neutralization, evacuation of persons from stricken areas, emergency welfare services, emergency transportation, plant protection, temporary restoration of public utility services, and other functions related to effective reaction to a disaster or emergency situation, together with all other activities necessary or incidental to the preparation for and carrying out of the foregoing functions.

(2) "Declared emergency" means any incident or situation declared as such by executive order of the governor pursuant to the provisions of this chapter.

(3) "*Emergency management* [~~Civil defense~~] agency" means the department of military affairs.

(4) "Director" means the adjutant general of the Commonwealth of Kentucky.

(5) "Division" means the division of disaster and emergency services of the department of military affairs.

(6) "Disaster" means any incident or situation declared as such by executive order of the governor pursuant to the provisions of this chapter or by the president of the United States pursuant to federal law.

(7) "Areawide organization" means an area development district, or a functional committee thereof, as provided in KRS Chapter 147A.

Section 2. KRS 39.450 is amended to read as follows:

The governor of this state is hereby authorized and directed to execute a compact on behalf of the commonwealth of Kentucky with any of the United States legally joining therein in the form substantially as follows:

INTERSTATE *EMERGENCY MANAGEMENT* [~~CIVIL DEFENSE~~] AND DISASTER COMPACT

The contracting states solemnly agree:

Article I

The purpose of this compact is to provide mutual aid among the states in meeting any emergency or disaster from enemy attack or other cause (natural or otherwise) including sabotage and subversive acts and direct attacks by bombs, shellfire, and atomic, radiological, chemical, bacteriological means, and other weapons. The prompt, full and effective utilization of the resources of the respective states, including such resources as may be available from the United States government or any other source, are essential to the safety, care and welfare of the people thereof in the event of enemy action or other emergency, and any other resources, including personnel, equipment or supplies, shall be incorporated into a plan or plans of mutual aid to be developed among the *emergency management* [~~civil defense~~] agencies or similar bodies of the states that are parties hereto. The directors of *emergency management* [~~civil defense~~] of all party states shall [~~constitute a committee to~~] formulate plans and take all necessary steps for the implementation of this compact.

Article II

It shall be the duty of each party state to formulate *emergency management* [~~civil defense~~] plans and programs for application within such state. There shall be frequent consultation between the representatives of the states and with the United States government and the free exchange of information and plans, including inventories of any materials and equipment available for *emergency management* [~~civil defense~~]. In carrying out such [~~civil defense~~] plans and programs the party states shall so far as possible provide and follow uniform standards, practices and rules and regulations including:

(a) Insignia, arm bands and any other distinctive articles to designate and distinguish the different *emergency management* [~~civil defense~~] services;

(b) Blackouts and practice blackouts, air raid drills, mobilization of *emergency management* [~~civil defense~~] forces and other tests and exercises;

(c) Warnings and signals for drills or attacks and the mechanical devices to be used in connection therewith;

(d) The effective screening or extinguishing of all lights and lighting devices and appliances;

(e) Shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(f) All materials or equipment used or to be used for *emergency management* [~~civil defense~~] purposes in order to assure that such materials and equipment will be easily and freely interchangeable when used in or by any other party state;

(g) The conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic, prior, during and subsequent to drills or attacks;

(h) The safety of public meetings or gatherings; and

(i) Mobile support units.

Article III

Any party state requested to render mutual aid shall take such action as is necessary to provide and make available the resources covered by this compact in accordance with the terms hereof; provided that it is understood that the state rendering aid may withhold resources to the extent necessary to provide reasonable protection for such state. Each party state shall extend to the *emergency management* [~~civil defense~~] forces of any other party state, while operating within its state limits under the terms and conditions of this compact, the same powers (except that of arrest unless specifically authorized by the receiving state), duties, rights, privileges and immunities as if they were performing their duties in the state in which normally employed or rendering services. *Emergency management* [~~Civil defense~~] forces will continue under the command and control of their regular leaders but the organizational units will come under the operational control of the *emergency management* [~~civil defense~~] authorities of the state receiving assistance.

Article IV

Whenever any person holds a license, certificate or other permit issued by any state evidencing the meeting of qualifications for professional, mechanical or other skills, such person may render aid involving such skill in any party state to meet an emergency or disaster and such state shall give due recognition to such license, certificate or other permit as if issued in the state in which aid is rendered.

Article V

No party state or its officers or employes rendering aid in another state pursuant to this compact shall be liable on account of any act or omission in good faith on the part of such forces while so engaged, or on account of the maintenance or use of any equipment or supplies in connection therewith.

Article VI

Inasmuch as it is probable that the pattern and detail of the [~~machinery for~~] mutual aid among two or more states may differ from that appropriate among other states party hereto, this instrument contains elements of a broad base common to all states, and nothing herein contained shall preclude any state from entering into supplementary agreements with another state or states. Such supplementary agreements may *encompass* [~~comprehend~~], but shall not be limited to, provisions for evacuation and reception of injured and other persons, and the exchange of medical, fire, police, public utility, reconnaissance, welfare, transportation, and communications personnel, equipment and supplies.

Article VII

Each party state shall provide for the payment of compensation and death benefits to injured members of the *emergency management* [~~civil defense~~] forces of that state and the representatives of deceased members of such forces in case such members sustain injuries or are killed while rendering aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within such state.

Article VIII

Any party state rendering aid in another state pursuant to this compact shall be reimbursed by the party state receiving such aid for any loss or damage to, or expense incurred in the operation of any equipment answering a request for aid, and for the cost incurred in connection with such requests; provided, that any aiding party state may assume in whole or in part such loss, damage, expense, or other cost, or may loan such equipment or donate such services to the receiving party state without charge or cost; and provided further that any two or more party states may enter into supplementary agreements establishing a different allocation of costs as among those states. The United States government may relieve the party state receiving aid from any liability and reimburse the party state supplying *emergency management* [~~civil defense~~] forces for the compensation paid to and the transportation, subsistence and maintenance expenses of such forces during the time of the rendition of such aid or assistance outside the state and may also pay fair and reasonable compensation for the use or utilization of the supplies, materials, equipment or facilities so utilized or consumed.

Article IX

Plans for the orderly evacuation and reception of the civilian population as the result of an emergency or disaster *may be developed and revised as needed* [~~shall be worked out from time to time~~] between representatives of the party states and the various local *emergency management* [~~civil defense~~] areas thereof. Such plans shall include the manner of transporting such evacuees, the number of evacuees to be received in different areas, the manner in which food, clothing, housing, and medical care will be provided, the registration of the evacuees, the providing of facilities for the notification of relatives or friends and the forwarding of such evacuees to other areas or the bringing in of additional materials, supplies, and all other relevant factors. Such plans shall provide that the party state receiving evacuees shall be reimbursed [~~generally~~] for the out-of-pocket expenses incurred in receiving and caring for such evacuees, for expenditures for transportation, food, clothing, medicines and medical care and like items. Such expenditures shall be reimbursed by the party state of which the evacuees are residents, or by the United States government under plans approved by it. After the termination of the emergency or disaster the party state of which the evacuees are resident shall assume the responsibility for the ultimate support or repatriation of such evacuees.

Article X

This compact shall be available to any state, territory or possession of the United States, and the District of Columbia. The term "state" may also include any neighboring foreign country or province or state thereof.

[~~Article XI~~]

[~~The committee established pursuant to Article I of this compact may request the civil defense agency of the United States government to act as an informational and coordinating body under this compact, and representatives of such agency of the United States government may attend meetings of such committee.~~]

Article *XI* [~~XII~~]

This compact shall become operative immediately upon its ratification by any state as between it and any other state or states so ratifying and shall be subject to approval by congress unless prior congressional approval has been given. Duly authenticated copies of this compact and of such supplementary agreements as may be entered into shall, at the time of their approval, be deposited with each of the party states and with the *emergency management* [~~civil defense~~] agency and other appropriate agencies of the United States government.

Article *XII* [~~XIII~~]

This compact shall continue in force and remain binding on each party state until the legislature or the governor of such party state takes action to withdraw therefrom. Such action shall not be effective until

30 days after notice thereof has been sent by the governor of the party state desiring to withdraw to the governors of all other party states.

Article *XIII* [~~XIV~~]

This compact shall be construed to effectuate the purposes stated in Article I hereof. If any provision of this compact is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to other persons and circumstances shall not be affected thereby.

Article *XIV* [~~XV~~]

(1) This Article shall be in effect only as among those states which have enacted it into law or in which the governors have adopted it pursuant to constitutional or statutory authority sufficient to give it the force of law as part of this compact. Nothing contained in this Article or in any supplementary agreement made in implementation thereof shall be construed to abridge, impair or supersede any other provision of this compact or any obligation undertaken by a state pursuant thereto, except that if its terms so provide, a supplementary agreement in implementation of this Article may modify, expand or add to any such obligation as among the parties to the supplementary agreement.

(2) In addition to the occurrences, circumstances and subject matters to which preceding articles of this compact make it applicable, this compact and the authorizations, entitlements and procedures thereof shall apply to:

(a) Searches for and rescue of persons who are lost, marooned, or otherwise in danger.

(b) Action useful in coping with disasters arising from any cause or designed to increase the capability to cope with any such disasters.

(c) Incidents, or the imminence thereof, which endanger the health or safety of the public and which require the use of special equipment, trained personnel or personnel in larger numbers than are locally available in order to reduce, counteract or remove the danger.

(d) The giving and receiving of aid by subdivisions of party states.

(e) Exercises, drills or other training or practice activities designed to aid personnel to prepare for, cope with or prevent any disaster or other emergency to which this compact applies.

(3) Except as expressly limited by this compact or a supplementary agreement in force pursuant thereto, any aid authorized by this compact or such supplementary agreement may be furnished by any agency of a party state, a subdivision of such state, or by a joint agency providing such aid shall be entitled to reimbursement therefor to the same extent and in the same manner as a state. The personnel of such joint agency, when rendering aid pursuant to this compact shall have the same rights, authority and immunity as personnel of party states.

(4) Nothing in this Article shall be construed to exclude from the coverage of Articles I to *XIII* [~~XIV~~] of this compact any matter which, in the absence of this Article, could reasonably be construed to be covered thereby.

SB 131, AN ACT relating to legal notices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 424.120 is amended to read as follows:

(1) Except as provided in subsection (2), whenever an advertisement for a publication area is required by law to be published in a newspaper, the publication must be made in a newspaper that meets the following requirements:

(a) It must be published in the publication area. A newspaper shall be deemed to be published in the area if it maintains *its principal* [~~a known~~] office in the area for the purpose of gathering news and soliciting advertisements and other general business of newspaper publications, and has a second-class mailing permit issued for that office. A newspaper *published* [~~printed~~] outside of Kentucky shall not be eligible to *carry* [~~publish~~] advertisements for any county or publication area within the county, other than for the city in which its main office is located, if there is a newspaper *published* [~~printed~~] in the county that has a substantial general circulation throughout the county and that otherwise meets the requirements of this section; and

(b) It must be of regular issue and have the largest bona fide circulation in the publication area. A newspaper shall be deemed to be of regular issue if it is published regularly, as frequently as once a week, for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the area for the immediately preceding *two* [~~one~~]-year period. A newspaper shall be deemed to be of bona fide circulation in the publication area if it is circulated generally in the area, and maintains a definite price or consideration not less than fifty percent of its published price, and is paid for by not less than fifty percent of those to whom distribution is made; and

(c) It must bear a title or name, consist of not less than four pages without a cover, and be of a type to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements, and other notices. The news content must be at least twenty-five percent of the total column space in more than one-half of its issues during any twelve-month period.

(d) If, in a publication area there is more than one (1) newspaper which meets the above requirements, the newspaper having the largest bona fide circulation as shown by the published statement of ownership for the publication area shall be the newspaper where advertisements required by law to be published shall be carried.

(e) For the purposes of KRS Chapter 424, publishing shall be considered as the total recurring processes of producing the newspaper, embracing all of the included contents of reading matter, illustrations, and advertising enumerated in Section 1(a) through (d) above. A newspaper shall not be excluded from qualifying for the purposes of legal publications as provided in this chapter if its printing or reproduction processes take place outside the publication area.

(2) If, in the case of a publication area smaller than the county in which it is located, there is no newspaper published in the area, the publication shall be made in a newspaper published in the county that is qualified under this section to publish advertisements for the county. If, in any county there is no newspaper meeting the requirements of this section for publishing advertisements for such county, any advertisements required to be published for such county or for any publication area within the county shall be published in a newspaper of the largest bona fide circulation in that county, published in and qualified to publish advertisements for an adjoining county in Kentucky. This subsection is intended to supersede any statute that provides or contemplates that newspaper publication may be dispensed with if there is no newspaper printed or published or of general circulation in the particular publication area.

(3) If a publication area consists of a district, other than a city, which extends into more than one county, the part of the district in each county shall be considered to be a separate publication area for the purposes of this section, and an advertisement for each such separate publication area shall be published in a newspaper qualified under this section to publish advertisements for such area.

SB 150, AN ACT relating to mobile homes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 227.550 is amended to read as follows:

As used in *this section* [~~KRS 227.560~~] to *KRS* 227.660, 227.990 and 227.992, unless the context requires a different definition:

(1) "Board" means the mobile homes certification and licensure board or the recreational vehicle certification and licensure board.

(2) "Class A seal" means a device or insignia issued by the office to indicate compliance with the standards, rules and regulations established by the office or the board for mobile homes and recreational vehicles.

(3) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.

(4) "Dealer" means any person, other than a manufacturer, as defined herein, firm or corporation, who sells or offers for sale three (3) or more mobile homes or recreational vehicles in any consecutive twelve (12) month period.

(5) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand or open lot. It shall display a suitable sign identifying the dealer and his business.

(6) "Federal act" means the national mobile home construction and safety standards act of 1974 and rules and regulations issued thereunder.

(7) "Manufactured housing" means mobile homes, recreational vehicles, mobile office or commercial units, add-a-rooms or cabanas.

(8) "Manufacturer" means any person who manufactures mobile homes or recreational vehicles and sells to Kentucky dealers.

(9) "Mobile home" *or "manufactured home"* means a structure, transportable in one (1) or more sections, which, *in the traveling mode, is* [~~when erected on site measures~~] eight (8) body feet or more in width and *forty (40)* [~~thirty-two (32)~~] body feet or more in length, *or, when erected on site, is three hundred twenty (320) or more square feet,* and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein; *except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the secretary and complies with the standards established under title VI of the federal act.* It may be used as a place or residence, business, profession, or trade by the owner, lessee or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure. It shall include housetrailers which are regulated as to length, width and registration by KRS Chapter 186.

(10) "NFPA 501 (A)" means that section of the national fire code adopted by the national fire protection association that pertains to mobile home installation.

(11) "NFPA 501 (B)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for mobile homes.

(12) "NFPA 501 (C)" means that section of the national fire code adopted by the national fire protection association that pertains to standards for recreational vehicles.

(13) "Office" means the office of the state fire marshal.

(14) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: Travel trailer, camping trailer, truck camper and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(15) "Secretary" means the secretary of the federal department of housing and urban development.

SB 277, AN ACT relating to state universities and colleges and private foundations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) A "private foundation" is a domestic non-profit corporation organized under KRS 273.160-273.390 and qualifies as such under KRS 273.400 or a foreign non-profit corporation conducting business in the state for a purpose or purposes for which a corporation might be organized. A private foundation includes, but is not limited to, a private foundation whose governing board members also serve as members of the governing boards of public universities and colleges.

(2) "Auxiliary enterprise" means a self-supporting income generating activity including but not limited to bookstores, laundry services, food services, and any recreational facilities and services, conducted under the direction or control or for the benefit of a public university or college or a private foundation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) All sales, purchases, leases or rentals for services, professional or otherwise, equipment, materials, supplies and use of or interests in real property between a public university or college and any private foundation as defined by Section 1 of this Act shall be made pursuant to a written contract approved by

the secretary of the department of finance. Such transaction shall be made in accordance with the state purchasing procedures provided in KRS 45.360 and KRS Chapter 45A, and in any other applicable law governing state purchasing procedures.

(2) A private foundation as defined by Section 1 of this Act shall submit to the governing boards of the public university or college reports regarding contracts for the sale, purchase, lease or rental of items listed in subsection (1) of this section within one (1) month of the transaction.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

No revenue received in excess of operational expenditures in the operation of an auxiliary enterprise using university resources shall be expended on a capital construction project or a major item of equipment as defined by KRS 45.750 through KRS 45.800, unless such expenditure has been reviewed by the capital construction and equipment purchase oversight committee.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

By January 30 of each year, a private foundation subject to the provisions of this Act, shall make an annual financial report of its auxiliary enterprises which are controlled, leased, or operated by the private foundation to the governing board of a public university or college, to the state auditor of public accounts, and to the legislative research commission. Each such report shall set forth a complete operating and financial statement showing revenues and expenditures, and donations made to the public university or college.

SB 291, AN ACT relating to the reorganization of the executive department.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The general assembly confirms the reorganization of agencies and statutory administrative departments effected by executive orders to the extent that such reorganizations are not otherwise confirmed by this Act, as follows:

Department for human resources:

(1) Reorganized the bureau for health services (Executive Order 80-446).

(2) Transferred responsibility for the administration of the Social Security Act Section 1122 program from the certificate of need and licensure board to the department for human resources (Executive Order 80-549).

(3) Transferred the office of volunteer services within the department for local government and the governor's advisory council on volunteer services to the department for human resources (Executive Order 80-591).

(4) Reorganized the bureau for manpower services (Executive Order 80-657).

(5) Reorganized the bureau for social insurance (Executive Order 80-659).

(6) Created the office of nursing within the bureau for health services (Executive Order 80-957).

(7) Created a division for health planning and a division for certificate of need within the bureau for health services (Executive Order 81-69).

(8) Transferred operation of the northern Kentucky treatment center from the bureau for social services to the bureau for health services (Executive Order 81-235).

(9) Designated the bureau for health services as responsible for health statistical activities under the federal cooperative statistics system (Executive Order 81-277).

(10) Changed the composition and functions of the state developmental disabilities planning council (Executive Order 81-354).

(11) Transferred responsibility for operation of nurse aid stations to the department of personnel (Executive Order 81-454).

(12) Reorganized the office of administrative services and authorized the designation and service areas for bureau field offices (Executive Order 81-511).

(13) Created the division for planning and research, the division for financial management and evaluation and the division for program administration and technical services within the bureau for manpower services (Executive Order 81-693).

(14) Transferred primary jurisdiction over the Kentucky correctional psychiatric center from the corrections cabinet to the department for human resources (Executive Order 81-694).

(15) Abolished the division for program development within the bureau for social services with transfer of its functions to other divisions of the bureau (Executive Order 81-837).

(16) Transferred responsibility for administration of KRS Chapter 218A from the office of the inspector general to the division for consumer health protection together with transfer of authority over the

vaccine supply center from the office of administrative services to the division for local health within the bureau for health services (Executive Order 81-920).

(17) Transferred responsibility for administration of certain laws concerning drugs and devices, the treatment of cancer and the practice of the healing arts from the office of the inspector general to the division for consumer health protection within the bureau for health services (Executive Order 81-972).

SJR 41, A JOINT RESOLUTION directing the secretary of transportation to honor previous commitments to the city of Hazard.

WHEREAS, it is the responsibility of the legislature to assure the actions of state agencies are in the best interests of the citizens of the Commonwealth; and

WHEREAS, the citizens of Hazard were assured that, upon completion of the Hazard by-pass, surplus waste disposal lands purchased for that purpose and owned by the department of transportation would be conveyed to the city for industrial and commercial site development; and

WHEREAS, the secretary of finance and management according to KRS 45.360(7) has the authority, when it is in the best interest of the state, to transfer the property to the city of Hazard; and

WHEREAS, every highway commissioner since April of 1973 and the Appalachian Regional Commission have approved the conveyance of this property to the city of Hazard in the same manner as the Douglas waste area in Pike County was conveyed to the Pike County Fiscal Court; and

WHEREAS, the Douglas Waste Area transfer to Pike County at no cost to Pike County, was finalized September 2, 1980; and

WHEREAS, the Hazard by-pass was opened to traffic November 12, 1981;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the General Assembly of the Commonwealth of Kentucky declare that waste area #1 Jacklot Hollow and Waste Area #2 Gorman Hollow of Messer Branch on the Hazard by-pass, no longer needed by the department of transportation, would be more suitably consistent with the public interest for public use by the city of Hazard for commercial and industrial development in the area.

Section 2. That the secretary of the department of transportation and the secretary of the finance and administrative cabinet execute, immediately, the necessary deeds to convey Waste Area #1, Jacklot Hollow, and Waste Area #2, the Gorman Hollow of Messer Branch, at no cost, to the city of Hazard, and to grant to the city of Hazard such easements relating to property owned by the department that will provide access to Waste Area #1, Jacklot Hollow, and to Waste Area #2, the Gorman Hollow of Messer Branch.

The Committee on State Government reported **SJR 10,** with Committee Substitute and Committee Title Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Substitute to **SJR 10** is as follows:

SJR 10, A JOINT RESOLUTION relating to the Craigs Creek Muzzle Loading Club.

WHEREAS, the Craigs Creek Muzzle Loading Club of Woodford County and the Kentucky Corps of Longriflemen of Franklin County have been officially chartered by the National Muzzle Loading Rifle Association; and

WHEREAS, various members of these renowned and honorable clubs distinguished themselves via participation in a recent Revolutionary War re-enactment, and have performed admirably in numerous long rifle team exhibitions; and

WHEREAS, such performances and participations have brought plaudits, acclaim and recognition not only to the Craigs Creek Muzzle Loading Club and the Kentucky Corps of Longriflemen but to the entire Commonwealth of Kentucky; and

WHEREAS, encouraging the preservation of American historical traditions and customs is to be fostered and applauded in all its instances, and particularly as exemplified so nobly by the Craigs Creek Muzzle Loading Club and the Kentucky Corps of Longriflemen;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Craigs Creek Muzzle Loading Club and the Kentucky Corps of Longriflemen are and they are hereby designated as the official state representative of pioneer and frontier life in Kentucky.

Section 2. That the Clerk be directed to dispatch a copy of this resolution to the Craigs Creek Muzzle Loading Club and the Kentucky Corps of Longriflemen.

Committee Title Amendment to Committee Substitute to **SJR 10** is as follows:

Amend printed copy of HCS for **SJR 10,** title, by deleting the title and substituting in lieu thereof the following:

A Joint Resolution relating to the Craigs Creek Muzzle Loading Club and the Kentucky Corps of Longriflemen".

The Committee on Appropriations and Revenue reported **HB 230** with Committee Amendments attached thereto, **HB 441,** with Committee Amendment attached thereto, **HB 456** with Committee Amendments attached thereto, and **HB 649** with Committee Substitute attached thereto, with the expression that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 2 to **HB 230** is as follows:

Amend printed copy of **HB 230,** on page 2, line 12, by inserting after the word "*department*" and before punctuation symbol "." the following new language: "*except to the extent the victim's insurance, if any provides coverage for such examinations.*"

Committee Amendment No. 3 to **HB 230** is as follows:

Amend printed copy of **HB 230,** on page 2, line 8, by deleting the words "*department for human resources*" and inserting in lieu thereof the words "*Prosecutors Advisory Council*"

and on line 9, by deleting the word "*department*" and inserting in lieu thereof the words "*Prosecutors Advisory Council*"

and on line 12 by deleting the word "*department*" and inserting in lieu thereof "*Prosecutors Advisory Council*"

Committee Amendment No. 2 to **HB 456** is as follows:

Amend printed copy of **HB 456,** on page 3, line 19, by deleting the amount, "*6.50*", and removing the brackets before and after the amount, "4.00", and by removing the strike-through of the amount, "4.00".

Committee Amendment No. 3 to **HB 456** is as follows:

Amend printed copy of **HB 456,** page 1, lines 20 and 21 by deleting the letter "*a*" at the end of line 20 and by deleting line 21 in its entirety;

page 2, lines 1-5 by deleting the underlined material in its entirety;

on lines 5-8, by removing the brackets and strike through;

on line 7 by inserting the number *7.00* and bracket and strike-through the number "5.00"

on lines 11-19 by deleting th underlined material in its entirety and by removing the brackets and strike-through;

on line 18, by inserting the number *7.00* and bracket and strike-through the number "5.00"

on line 24 by deleting the number "*5.00*" and inserting in its place the number *2.50*;

on page 3, line 3 by deleting the number *5.00* and inserting in its place the number *2.50*

on page 4, line 15 by deleting the number *5.00* and inserting in its place the number *2.50*;

on page 6, lines 1 and 2 by deleting the phrase "*ten percent (10%) of the state license fee*" in its entirety and by inserting in its place the number *.75*;

on page 8, line 3 by inserting *percent 3(%)* immediately following the word "*three*" and bracket and strike-through the phrase "and one-half percent"

on page 8, line 4 by deleting the underlined material

on page 13, line 10 by deleting Section 5 in its entirety;

on page 16, line 14 by deleting Section 6 in its entirety

on page 19, line 5, by deleting the number "7" following the word "Section" and inserting in its place the number 5.

HB 649, AN ACT relating to budget and financial administration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 48 IS HEREBY ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) "Account" is a technical accounting term meaning a formal record in which related transactions and events, (i.e., expenditures, receipts, encumbrances, and inter-account charges or credits) which occur during a specific period of time, are summarized and accumulated.

(2) "Activities" means those actions or services performed by a budget unit which depict in a quantitative manner the fulfillment of lawful purposes.

(3) "Appropriation" means an authorization by the general assembly to expend, from public funds, a sum of money not in excess of the sum specified, for the purposes specified in the authorization and under the procedure prescribed in this chapter.

(4) "Appropriation act" means any act of the general assembly that authorizes the expenditure of public funds, other than a joint budget resolution provided for by this chapter.

(5) "Budget" means the complete financial plan for each fiscal year contained in a joint budget resolution provided for by this chapter.

(6) "Branch budget recommendation" means the recommendations to the general assembly of the governor for the executive branch, the chief justice for the judicial branch and the legislative research commission for the legislative branch, accompanied by an estimate of the receipts and expenditures for each branch and accompanying explanations provided for by this chapter for the next two (2) fiscal years.

(7) "Budget unit request" means a detailed statement of the financial requirements of a budget unit by principal budget class, and an estimate of its receipts and expenditures for the next two (2) fiscal years, with the accompanying explanations provided for by this chapter.

(8) "Budget unit" means any subdivision of any branch of government, however designated, for which appropriations are requested.

(9) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, equipment or other permanent properties, or in their construction, development or permanent improvement.

(10) "Disbursement" means cash actually paid out for any purpose.

(11) "Employe" means the lawful incumbent of a position.

(12) "Expenditure" means cash actually paid out or an exchange of value for any purpose.

(13) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources or both together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities in accordance with legal restrictions or other limitations, to include:

(a) "General fund." This fund shall consist of all moneys, not otherwise restricted, available for the general operations of state government.

(b) "Bond debt related fund." This fund shall consist of all outstanding bonded debt liability and related funds of state government, including all revenue bonds issued by or approved by the state property and buildings commission. Accounts necessary to assure integrity of trust indentures shall be maintained. Funds appropriated for debt service shall be allotted to these accounts and any excess of appropriation over net requirements for principal, interest and reserves for any issue shall lapse to the surplus account of the general fund if general funds are a part of the appropriation for that budget unit.

(c) "Capital construction fund." This fund shall consist of moneys appropriated under the provision of KRS 45.750 through KRS 45.800 for capital construction projects, except road construction projects, for all budget units of state government.

(d) "Federal fund." This fund shall include all receipts from the federal government for any purpose.

(e) "Fiduciary fund." This fund shall consist of moneys held by a budget unit in a trustee or agency capacity.

(f) "Restricted fund." This fund shall consist of budget unit receipts restricted as to purpose by statute.

(g) "Road fund." This fund shall consist of money derived from excise or license taxation relating to gasoline and other motor fuels, and moneys derived from fees, excise or license taxation relating to registration, operation or use of vehicles for use on public highways. A separate record of each source of receipt within this fund group shall be maintained.

(14) "Principal budget class" includes the following:

(a) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, or other permanent properties, or in their construction, development or permanent improvement estimated to cost less than two hundred thousand dollars ($200,000), and items of equipment or other capital items estimated to cost less than fifty thousand dollars ($50,000).

(b) "Debt service" means the amount of money required to pay the interest, principal and required contributions to accumulate moneys for future retirement of lawfully incurred debt.

(c) "Grants, loans or benefits" means expenditures for any grant, aid, loan or relief payment to individuals, organizations or jurisdictions not otherwise classified pursuant to this chapter.

(d) "Operating expenses" means expenditures directly attributable to the operation of state government not otherwise classified pursuant to this chapter.

(e) "Personnel costs" means the salaries, wages, benefits (including but not limited to, employer share of FICA, retirement contributions, insurance, unemployment insurance, workers' compensation), and increments of all officers and employes, and payment to persons awarded personal service contracts.

(15) "Receipts" includes the following:

(a) "Nonrevenue receipts" means values accruing that either decrease an asset or create a liability.

(b) "Operating receipts" means cash received by a budget unit for services rendered, or from the sale of materials, goods or supplies created by the budget unit or of items held for resale.

(c) "Revenue receipts" means values accruing as a result of taxation or revenues, or both, and without resultant increase in liabilities or decrease in assets, whether such values are represented by cash actually received or by amounts due and payable, or partly by each.

SECTION 2. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch of government shall have in continuous process of preparation and revision, in the light of its direct studies of the operations, plans and needs of its budget units and of the existing and prospective sources of income, a branch budget recommendation for the next two (2) fiscal years for which a budget recommendation is required to be prepared. Upon receipt of the estimates from its budget units, each branch of government shall check these estimates in the light of its own information, and shall make such further inquiries and investigations and revise its branch budget recommendation as it deems warranted. The branch budget recommendation when approved shall be certified together with the budget statements provided for in Section 8 of this Act and submitted as provided for in Section 7 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Each branch of government, during the preparation of its budget recommendation and before its submission to the general assembly, shall examine its statements and estimates and shall make or cause to be made such further investigations with such hearings as deemed advisable, and shall direct such changes or revisions as warranted.

(2) Upon request, the legislative research commission shall assist the judicial branch in the preparation of its budget.

SECTION 4. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) On or before April 1 of each odd-numbered year, representatives designated by the governor, the chief justice and the legislative research commission for their respective branches shall propose drafts of uniform forms to be used by all budget units in submitting their budget estimates, requests and recommendations, and shall recommend to the legislative research commission such rules and regulations deemed necessary for the preparation of such budget estimates, requests and recommendations.

(2) On or before July 1 of each odd-numbered year, the legislative research commission shall prescribe uniform forms, records and instructions to be used by branch budget units.

(3) On or before September 1 of each odd-numbered year, the department of finance shall supply each branch of government with at least three (3) complete sets of the prescribed uniform forms and instructions for the preparation of estimates and statements, and one (1) copy of the complete statement of the expenditures of each budget unit of the branch to aid each branch of government in preparing its estimates and statements.

(4) Upon request, the department of finance shall provide such additional assistance to each branch of government as may be required.

SECTION 5. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

The head of each budget unit shall submit its budget unit request to the department of finance, in the case of the executive branch, to the chief justice, in the case of the judicial branch, to the director of the legislative research commission, in the case of the legislative branch; and to the legislative research commission, not later than November 15 of each odd numbered year.

SECTION 6. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The governor-elect shall receive all budget unit requests and supporting documentation for the executive branch no later than November 10, of the year of his election. He and those persons named by him shall be entitled to participate in the budget making process for the executive branch.

(2) Any statewide constitutional officers-elect shall, upon request, receive all budget requests and supporting documentation relating to their offices.

SECTION 7. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) A branch budget recommendation shall be submitted to the general assembly by the governor for the executive branch, the chief justice for the judicial branch and the legislative research commission for the legislative branch. The budget recommendations shall be submitted to the general assembly on or before the tenth (10th) legislative day of each regular session, except in the year following the election of the governor when the budget recommendations shall be submitted not later than the fifteenth (15th) legislative day of a regular session.

(2) Budget recommendations shall be submitted on the first (1st) day of any extraordinary session called for the purpose of amending a joint budget resolution.

SECTION 8. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch budget recommendation shall contain a complete financial plan for the branch of government for each of the next two (2) fiscal years. Each branch budget recommendation shall include:

(1) A budget message signed by the governor, the chief justice or the co-chairmen of the legislative research commission for their respective branches of government.

(2) Statements of income and receipts for each of the two (2) fiscal years last concluded, and the estimated income and receipts, for each budget unit of the branch of government, of the current fiscal year and of each of the next two (2) fiscal years. The statements of income and estimated income shall be itemized by budget units and funds, by sources, and shall show separately receipts from current income, receipts from refunds and reimbursements of expenditures, receipts from sale of assets, and receipts on account of the income of prior years, all detailed by sources. Existing sources of income and receipts shall be analyzed as to their equity, productivity and need for revision, and any proposed new sources of income or receipts shall be explained.

(3) A statement of the surplus in any account and in any special fund of the branch of government. If a surplus exists in any account of the branch of government the statement shall show the excess of all current assets over all current liabilities as of the beginning of each of the two (2) fiscal years last concluded, and all changes in these accounts during each of such two (2) fiscal years.

(4) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year showing, for each budget unit of the branch of government the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year.

(5) Summary and detailed comparative statements of expenditures itemized by budget unit for each of the two (2) fiscal years last concluded and requests for appropriations by funds or accounts, the budget of the current year, and the requests of each budget unit and the recommendations for appropriations for each of the next two (2) fiscal years. Following the lists of actual and proposed expenditures of each budget unit there shall be a detailed explanation of the actual and proposed expenditures, to include activities, beneficiaries and expected results of the programs or services of the budget units.

(6) A draft of the proposed joint budget resolution containing recommendations of the branch of government for appropriations for the next two (2) fiscal years, and drafts of such revenue and other acts as may be recommended for putting into effect the proposed financial plan. The recommended appropriations for ordinary recurring expenses shall be itemized by budget units, and the amount of each of such

recommended appropriation shall be the total of the recommended amounts for the budget units. Recommended appropriations for extraordinary expenses and capital outlays shall be itemized in the proposed joint budget resolution for the branch by budget unit and the title of each budget unit shall be so worded as to limit each appropriation to the specific use or purpose intended. The recommended appropriation for each budget unit shall be specified in a distinct and separate section of the proposed joint budget resolution for the branch. The total amount of appropriations recommended from any fund shall not exceed the cash resources estimated to be available and to become available to meet expenditures under such appropriations.

(7) A certificate of the branch of government as to the accuracy of the statements of financial condition, of income and receipts, and of expenditures.

(8) Such other information as is deemed desirable, or is required by law or regulation.

SECTION 9. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the information required by Section 8 of this Act, the governor shall submit the following information as a separate part of the branch budget request for the executive branch of government:

(1) Summary statements of the financial condition of the state, which shall include such detailed schedules of revenues and summary of expenditures by fund as specified by law in addition to those the governor deems desirable; and summary statements of the estimated fund balances for the current fiscal year and each of the next two (2) fiscal years; and statement of the surplus account for the general fund and the road fund and for each special fund. Each surplus account shall show the excess of all current revenues over all current expenditures as of the beginning of each of the two (2) fiscal years last concluded, and all changes in each surplus account during each of such two (2) fiscal years.

(2) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year, showing for the Commonwealth the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the close of the last completed fiscal year and the estimated floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year.

(3) A summary statement for each major fund of the cash resources estimated to be available at the beginning of each of the next two (2) fiscal years, and the estimated cash receipts of the fiscal year.

(4) Such other information as is deemed desirable or is required by law or regulation.

SECTION 10. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the information required by Section 8 of this Act, the governor shall include as a separate part of the branch budget request for the executive branch of government, the recommended program for capital construction and major items of equipment as provided by KRS 45.760.

SECTION 11. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The provisions of any other law notwithstanding, the governor shall include in the budget recommendation for the executive branch and in the draft joint budget resolution for the executive branch submitted to each regular session of the general assembly for the biennium period beginning July 1, 1980, and for each biennium thereafter, recommendations for appropriations from the general fund to be made by the general assembly to the area development fund established by KRS Chapter 42.

(2) The amount to be recommended for the appropriation to the area development fund shall be four and four-tenths percent (4.4%) of the severance tax estimate for each fiscal year of the biennium.

SECTION 12. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) By October 15 of each odd-numbered year the department of revenue shall provide to each branch of government preliminary detailed revenue estimates for the general fund and road fund for the current and next two (2) fiscal years, including explanatory statements, and a comparative record of the actual revenues of these funds for each of the last two (2) years concluded.

(2) On or before the fifteenth (15th) legislative day, the department of revenue shall certify and present to the general assembly the final detailed revenue estimates for these funds.

(3) Appropriations made in the joint budget resolutions enacted for each branch of government shall be based upon the revenue estimates presented to the general assembly by the department of revenue under subsection (1) of this Act, as modified by the appropriations committees of the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The branch budget recommendation submitted by each branch of government shall include a plan for the reduction of the respective budget recommendations, by budget unit, when projected or actual tax receipts accruing to the general fund or road fund are at least two and one-half percent (2 ½%) but not more than five percent (5%) less than the revenue estimates for these funds as determined under subsection (3) of Section 12 of this Act.

(2) In recommending budget reductions, the governor, the chief justice, and the legislative research commission shall not recommend universal percentage reductions but shall weigh the needs of all budget units and shall strive to protect the highest possible level of service in their respective branches. Services which are not essential to constitutional functions shall be subject to reduction. Transfer of funds may be authorized by the budget reduction plan.

(3) The plan shall be enacted as modified by the general assembly, in each joint budget resolution.

(4) In the event of an actual or projected deficit in tax receipts provided for by this section, the department of revenue shall notify all branches of government.

(a) If funds that have accrued to the surplus accounts of the general or road funds are not sufficient to meet these deficits, the allotments to the respective branches shall be reduced according to the reduction provisions embodied in the joint budget resolution, and the governor, the chief justice, and the legislative research commission shall automatically implement budget reductions for their respective branches according to the reduction provisions embodied in the joint budget resolution.

(b) In the event funds that have accrued to the surplus accounts of the general or road funds are sufficient to meet these deficits, transfers from these surplus accounts shall be made, as appropriate, and the budget reduction provisions embodied in the joint budget resolution shall not be implemented.

(5) In the event of an actual or projected deficit in tax receipts provided for by this section of less than two and one-half percent (2 ½%), the governor, the chief justice, and the legislative research commission shall implement budget reductions for their respective branches on their own initiative.

(6) If general fund or road fund tax receipts increase over the estimated deficits, then services shall be restored in the reverse order of the reduced services.

(7) This section shall not preclude the general assembly, in regular or special session, from amending a joint budget resolution requiring budget reductions nor shall it preclude the governor from calling a special session of the general assembly at any time budget reduction plan is in effect.

SECTION 14. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The branch budget recommendation submitted by the governor, the chief justice, and the legislative research commission shall include a plan for the expenditure of general or road fund tax receipts up to two and one-half percent (2 ½%) in excess of the tax receipts estimates for the funds as determined by subsection (3) of Section 12 of this Act.

(2) The plan shall contain provisions for the expenditure of such excess general fund and road fund tax receipts. This plan shall provide for additional monies for non-recurring expenditures for which an appropriation was not made in a joint budget resolution, or for a program or service authorized by law for which an appropriation was not made or which program was not fully funded. No expenditure shall be recommended for any other purpose.

(3) In lieu of recommending the expenditure of such sums, the governor, the chief justice, or the legislative research commission, may elect to recommend the return of such sums or any portion thereof to the surplus account of the general fund or road fund for investment until such time as it is appropriated by the general assembly.

(4) A plan for the expenditures of such surplus funds shall be enacted as modified by the general assembly, in each joint budget resolution.

(5) In the event of a surplus in tax receipts provided for by this section, the department of revenue shall notify all branches of government.

(6) Any general or road fund receipts in excess of two and one-half percent (2 ½%) of the tax revenue estimates determined under subsection (3) of Section 12 of this Act, or in excess of any appropriation made in a joint budget resolution applying such receipts shall not be expended but shall accrue to the surplus account of the general fund or road fund for investment until appropriated by the general assembly.

(7) Unless required by the budget reduction provisions in a joint budget resolution no funds shall be transferred from one budget unit to another budget unit.

(8) Surplus funds in any account, unless a statute requires otherwise, shall lapse to the surplus account of the general fund for investment until appropriated by the general assembly.

(9) Funds in the surplus account of the general fund may be used for current expenditures as authorized by the budget reduction provisions of a joint budget resolution.

SECTION 15. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Each branch of government shall submit in its budget recommendation, as a separate portion thereof by budget unit, a request for moneys sufficient to meet unexpected contingencies or emergencies including but not limited to natural or man made disasters, civil disorders, court orders requiring or resulting in the expenditure of state funds or other related clauses.

(2) The amount shall be based on the nature, type, and frequency of named categories of events which may, from past experience, be reasonably anticipated.

(3) This portion of the budget recommendation shall detail similar incidents and the nature and amount of the expenditures for each during the ten (10) years immediately preceding.

(4) These appropriations shall not be expended for contingencies relating to capital construction projects or major items of equipment as defined by KRS 45.770.

(5) Amounts appropriated under this section shall not be expended unless appropriations made for the same or similar purposes have been exhausted.

(6) Each branch of government shall report expenditures under this section to the standing appropriations committees of the general assembly or the interim joint committee on appropriations and revenue as appropriate.

SECTION 16. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch, by budget unit, shall submit in its budget recommendation a request for funds reasonably necessary to match anticipated federal funds which may become available during the biennium. These funds shall not be utilized for federal block grants as defined by the federal omnibus budget reconcilition act of 1981 (P.L. 97-35) and any subsequent amendments thereto, including federal block grants authorized after the effective date of this Act.

SECTION 17. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In the submission of a branch budget recommendation to the general assembly no branch of government shall submit any item as a "necessary government expense" or submit any item without a dollar amount affixed thereto, unless the entire proceeds of a particular trust and agency or other designated fund or account are to be assigned to specific budget units. In the event that all proceeds from a particular fund or account are to be assigned to specific budget units, an estimate of the receipts of each budget unit for each year of the biennium shall be provided together with the receipts from the previous two (2) bienniums.

SECTION 18. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

In addition to the requirements set forth in this chapter, the appropriations committees of each house or the legislative research commission, as appropriate, may require additional information and may prescribe the form in which such additional information shall be submitted as a part of, or in support of, a branch budget recommendation.

SECTION 19. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each branch of government shall have its budget recommendations printed in such number of copies thereof as to insure that each member of the general assembly and the clerks of the house of representatives and the senate have individual copies.

SECTION 20. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

From the time of the submission of the budget recommendation of each branch of government to the house of representatives until the enactment of all joint budget resolutions, representatives of each branch of government shall be at the disposal of the general assembly and its appropriations committees and shall devote as much of their time as may be required to the work of those committees, under the direction of their respective chairmen. The department of finance shall provide such additional assistance to each branch of government as may be required.

SECTION 21. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The financial plan for each fiscal year as presented in a branch budget recommendation shall be adopted, with such modifications as are made by the general assembly, by the passage of a joint budget resolution and such revenue and other acts as are necessary for the purpose.

(2) Prior to the passage of a joint budget resolution and any other acts necessary, the appropriations committees of the general assembly shall prepare a budget memorandum. The budget memorandum shall enumerate the changes made by the appropriations committees in a branch budget recommendation, and shall explain such changes in detail sufficient to convey the intent of the appropriations committees.

SECTION 22. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) A joint budget resolution shall be considered as subordinate to the Kentucky Revised Statutes and temporary in nature. No provision of a joint budget resolution shall be effective beyond the second fiscal year from the date of its enactment. A joint budget resolution enacted at a special session of the general assembly shall not be effective past July 1, of the year in which the next regular session takes place.

(2) No joint budget resolution shall contain language which exempts the budget resolution or any appropriation or the use thereof from the operation of a statute. Any language in a joint budget resolution in violation of this section shall be null and void.

SECTION 23. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall continuously monitor the financial situation of the Commonwealth. Based upon reports from budget units and its own estimates the department shall no later than the tenth day of each month or more often if necessary, report to the governor, chief justice and the legislative research commission on the financial condition of the Commonwealth and its budget units.

(2) In the event there is an actual or anticipated surplus or decrease in total estimated tax receipts, as determined under subsection (3) of Section 12 of this Act, of such magnitude as to require action under a surplus or budget reduction plan, immediate notification shall be given to all branches of government.

SECTION 24. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Subject to the provisions of this section, when the general assembly is not in session, all questions that arise as to the meaning of items in a joint budget resolution shall be decided by the department of finance, by the chief justice and by the legislative research commission for their respective branches of government.

(2) A decision made under subsection (1) of this section shall conform to the appropriate budget memorandum provided for by Section 21 of this Act.

(3) The secretary of the department of finance, the chief justice, and the legislative research commission shall transmit decisions made under subsection (1) of this section to the interim joint committee on appropriations and revenue of the legislative research commission and shall include, in detail, the reasons for such decisions.

(4) If the interim joint committee on appropriations and revenue disapproves a decision made under this section, the decision shall not be implemented unless it is:

(a) Revised to comply with the objections of the committee; or

(b) The committee is informed, in writing, in detail, within thirty (30) days of the committee's disapproval, that a determination has been made not to comply with the objections of the committee.

SECTION 25. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) In the event of an actual or projected deficit, as determined by the department of revenue, in total tax receipts, as specified in Section 13 of this Act, of less than five percent (5%), the governor, the chief justice, and the legislative research commission shall make such allotment reductions for the budget units of their respective branches of government as are deemed necessary, and shall take such steps to revise allotments for their respective branches as are necessary to prevent a cash deficit.

(2) Such allotment revisions shall be reported to the standing appropriations and revenue committees of each house or to the interim joint committee on appropriations and revenue, as appropriate.

SECTION 26. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

By June 1 of the preceding fiscal year, each branch of government shall submit to the department of finance a schedule of quarterly allotments of appropriations for each budget unit of the branch for the next fiscal year.

SECTION 27. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) Allotments shall be made as provided by the allotment schedule, and may be revised upon the written certification of the governor, the chief justice and the legislative research commission for their respective branches of government. No revisions of the allotment schedule may provide for an allotment or allotments in excess of the amount appropriated to that budget unit in a joint budget resolution, or for expenditure for any other purpose than specified in a joint budget resolution and a budget memorandum provided for by Section 21 of this Act.

(2) Revisions of allotments under this section shall be reported and reviewed as provided by subsection (4) of Section 24 of this Act.

(3) When the actual tax receipts accruing to the general fund or road fund, as appropriate, do not permit all the allotments provided for by the schedules of allotments of all branches of government, the secretary of the department of finance shall notify all branches of government and each branch shall take appropriate action concerning allotments.

(4) This subsection shall not apply in the event of a projected or an actual deficit in tax receipts of the general or road funds as determined by Section 13 of this Act.

SECTION 28. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

There is hereby created in the general fund of the state treasury a surplus fund account subject to the following terms and conditions:

(1) It shall contain all surplus tax receipts accruing to the general fund as provided by subsection (6) of Section 14 of this Act.

(2) It shall contain all funds lapsed from general fund receipts not otherwise appropriated.

(3) It shall contain all receipts from the sale of surplus property purchased with general fund tax receipts and not otherwise appropriated.

(4) It shall contain all general fund tax revenues in excess of estimates.

(5) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the general fund.

(6) Funds in the account shall be invested at interest and the interest shall also accrue to this account.

(7) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the general fund.

(8) No expenditures shall be made from this account unless appropriated by the general assembly or unless required by the budget reduction provisions of a joint budget resolution, or as provided by Section 13 of this Act.

SECTION 29. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

There is hereby created in the road fund of the state treasury a surplus fund account subject to the following terms and conditions:

(1) It shall contain all surplus tax receipts accruing to the road fund as provided by subsection (6) of Section 14 of this Act.

(2) It shall contain all funds lapsed from moneys originating from road fund receipts;

(3) It shall contain all receipts from the sale of surplus property purchased with road fund receipts;

(4) It shall contain all road fund receipts in excess of estimates;

(5) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the road fund;

(6) Funds in the account shall be invested at interest and the interest shall also accrue to this account;

(7) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the road fund;

(8) No expenditures shall be made from this account unless appropriated by the general assembly or unless required by budget reduction provisions of a joint budget resolution, or as provided by Section 13 of this Act.

SECTION 30. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

The department of finance shall prepare and submit to each branch of government:

(1) Within ten (10) days after the close of each month copies of the accounts of the budget units of that branch of government with the appropriations and allotments in favor of its budget units and the balances as of the beginning and end of that month.

(2) Within ten (10) days after the close of each month, prepare and transmit to each branch of government a report embodying a summary statement of the actual financial condition of each fund of the major fund groups as of the close of the previous month, a summary statement showing the receipts and payments of each such fund for the previous month and for the current fiscal year to the close of the previous month, a summary budget statement for each such fund showing the available cash balance as of the end of the previous month, the amount of cash estimated to be realized from each source during the remaining months of the fiscal year, the total means of financing, the amount of the unallotted balances of all appropriations, the estimated amount of unliquidated commitments, and the estimated cash surplus or deficit.

(3) Within ninety (90) days of the close of a fiscal year, file with each branch of government a complete report of the financial transactions of the preceding fiscal year and of the financial condition of the Commonwealth as of the end of that fiscal year, with such comments and supplementary data necessary to make the report complete and easy to understand.

(4) Each branch of government shall publish a financial and program status report, annually, detailing for that period, activities, appropriations, allotments, expenditures, transfers, encumbrances and available balances of each budget unit of the branch, and an explanation of the programs and services provided by the branch.

SECTION 31. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall have and exercise all administrative functions of the Commonwealth, except as otherwise provided by law, in relation to:

(a) Developing financial policies and plans for consideration by the governor as the basis for his budget recommendations to the general assembly, and preparing the detailed documents in accordance with the financial plans of the governor for presentation to the general assembly.

(b) Coordinating and supervising the fiscal affairs and fiscal procedures of the Commonwealth to insure the carrying out of the definite financial policies and plans approved by the general assembly.

(c) Accounting, including budgetary accounting and accounting control.

(d) Fiscal reporting.

(e) Supervision of preauditing of expenditures and current auditing of receipts and receivables.

(f) Supervision of purchasing and storekeeping and control of property and stores.

(g) Supervision of all receivables of the Commonwealth.

(h) Maintaining and operating public buildings, except those provided for the exclusive use of any one (1) agency.

(i) Auditing the accounts of the treasurer and the auditor of public accounts, as contemplated by section 53 of the Constitution.

(j) Coordination and supervision of data processing, computers, and government information systems.

(2) The department of finance shall be primarily responsible for maintaining management control over the activities of the several budget units of the executive branch. To perform this function, the department of finance shall:

(a) Keep in continuous touch with the operations, plans and needs of the budget units, and with the sources and amounts of revenue and other receipts of the Commonwealth.

(b) Appraise the quantity and quality of services rendered by each budget unit of the executive branch and the needs for such services and for any new services.

(c) Examine and recommend work programs and periodical allotments to the several budget units of the executive branch, and changes therein as provided by Section 29 of this Act.

(d) Develop plans for improvements and economies in organization and operation of the budget units of the executive branch, and install such plans as are approved or directed by the governor or the general assembly.

(e) Devise and prescribe the forms of operations reports to be required periodically from each budget unit of the executive branch and require such budget units to make such reports.

(f) Examine and comment on all statements and reports on the financial condition, estimated future financial condition and operation of state government and its budget units.

(g) Receive and deal with all requests for information as to financial conditions and operations of the Commonwealth.

(h) Prepare such unit costs and cost statistics as are required from time to time.

(i) Advise and assist the governor, the chief justice, the general assembly, the appropriations committees of the general assembly and the legislative research commission, upon request, in any matters relating to the functions of the department of finance.

(j) Keep a summary of the financial transactions of all budget units.

SECTION 32. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall install a unified and integrated system of accounts for the state which shall comply with generally accepted accounting principles, and which shall be in addition to other accounts required by this chapter, and which shall include:

(a) A set of budgetary control accounts for each fund, comprising an account with the available cash of the fund, an account with the budget estimate of the amount of money to be derived from each source of revenue and nonrevenue receipts, an account with the total of the unallotted balances of appropriations, an account with the total of the free balances of allotments, an account with the total commitments under allotments, and an account with the estimated cash surplus or deficit, so as to show at all times the status of the budget fund.

(b) A subsidiary appropriation ledger for each fund from which appropriations are made, embracing an account with each appropriation, and designed to show the budget unit to which the appropriation was made, the purpose of the appropriation, the amount appropriated, the additions to the appropriation, the allotments from the appropriation, the unallotted balance of the appropriation, the commitments charged to allotments, and the free balances of the total amount allotted.

(c) A set of general controlling proprietary and operating accounts for each fund, so as to record the transactions to the fund in summary form and to show the actual current assets, prepaid expenses, current liabilities, deferred credits to income, reserves, actual income, actual expenditures, and the current surplus or deficit.

(d) A uniform classification of the sources of revenue and nonrevenue receipts.

(e) Standard classifications of the expenditures of the budget units.

(f) A standard classification of the budget units.

(g) Such other accounts, records and devices as the department of finance deems necessary for the production of needed information respecting financial condition, financial operations and costs.

(2) The accounts provided for in paragraphs (a), (b) and (c) of subsection (1) of this section or summary records shall be maintained by the department of finance.

(3) The department of finance shall keep controlling accounts with receipts, payments and state depositories entirely independent of those maintained by the state treasurer. The department shall obtain from the state treasurer the figures for the entries required to open such accounts, and thereafter it shall obtain the information required for the keeping of such accounts from the pay-in vouchers, lists of warrants drawn under appropriations, and vouchers requesting transfers of deposits among state depositories.

(4) The accounting system prescribed and installed by the department of finance shall provide for the settlement of transactions between budget units by making debit and credit entries on the books of the department on the basis of adequate expenditure vouchers, without the issuance of warrants.

(5) The accounting system prescribed and installed by the department of finance shall include the following fund classifications:

(a) Governmental fund: This classification shall include those funds through which most governmental functions typically are financed including, but not limited to, the general fund, the road fund, bond debt related fund, federal fund, agency receipts funds, and the capital construction fund.

(b) Proprietary fund: This classification shall account for governmental activities which are similar to those activities found in the private sector. Activities which provide services to other governmental units and activities which provide services principally to the private sector are included.

(c) Fiduciary fund: This classification shall account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, nonexpendable trust funds, pension trust funds and agency funds.

(d) Loan fund: This classification shall account for funds advanced or to be advanced to other governments, other governmental agencies or private organizations or individuals.

(6) Account groups. In order to establish accounting control and accountability for general fixed assets and the unmatured principal of general long-term debt, a general fixed assets account group and a general long-term debt account group may be established.

SECTION 33. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance shall examine all blank forms used or proposed for use by any budget unit for the purposes specified in this section, and shall design or redesign them with a view to providing for the simplification, unification and integration of financial and business administrative records and procedures. The department of finance shall also prescribe, and enforce adherence to, standard sizes, colors and designs of forms, including styles of type and qualities and grades of paper. This section shall apply to all forms for use in accounting, preauditing, state treasury administration, personnel administration, purchasing, property control, and other matters of financial and business administration of the state or any budget unit thereof, with the exception of uniform forms for use in the preparation of budget estimates, requests, and recommendations provided for by Section 4 of this Act.

SECTION 34. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Expenditures shall be limited to the amounts and purposes for which appropriations are made. All expenditures shall be reflected in the unified and integrated system of accounts as provided by Section 32 of this Act.

(2) The department of finance shall prescribe all forms to be used in, or in conjunction with, the unified accounting system.

(3) The governor, the chief justice, and the legislative research commission, shall designate in writing the officer or employe authorized to sign advices of employment, copies of purchase orders and contracts, and requisitions for reservation of funds, and no such advice, order, contract or requisition shall be honored as a commitment statement unless the designation, with a copy of the signature of the officer or employe designated, is on file in the office of the department of finance.

(4) The department of finance may approve for payment any expenditure document presented by a budget unit, provided that the department of finance is able to determine that the expenditure is to satisfy a liability of the Commonwealth of Kentucky created on behalf of that budget unit in fulfilling the governmental function assigned to that budget unit and that the expenditure is being made from the unexpended balance of a proper allotment.

(5) Subsidiary records shall be maintained to report the financial operation and condition of each budget unit. These subsidiary records shall be compatible with the unified accounting system prescribed by subsection (1) of this section and by Section 34 of this Act, and may be on the accrual basis or cash basis. Expenditures may be by prior encumbrances or by straight disbursements. The subsidiary records may be maintained by the department of finance and by the budget unit involved. When a budget unit is authorized to maintain subsidiary records, the department of finance shall have authority to prescribe the accounting

and preauditing procedures. The unified system of accounts shall conform to accepted management and accounting principles.

SECTION 35. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Revolving accounts may be established by appropriation in a joint budget resolution to finance activities which are self-supporting in whole or in part.

(2) Trust and agency accounts may be established by a joint budget resolution to receive and disburse contributions, gifts, donations, devises and federal appropriations, and, when authorized by law, by depositing all of the fees (which include fees for maintenance in state institutions, incidental fees, tuition fees, fees for board and room, athletics, and student activities), rentals, admittance, sales, licenses collected by law, subventions and other miscellaneous receipts of budget units.

(3) The head of the budget unit or other responsible fiscal agent of the unit for which a revolving, trust or agency account has been established shall deposit with the state treasury all receipts of the character above described, and the department of finance shall credit all such receipts to the budget unit and shall keep separate accounting for each account so established.

(4) The amounts credited to any revolving, trust or agency account so provided, shall be held available for disbursement for the purpose provided by law and shall not be diverted to any other purpose. Revolving, trust or agency accounts shall be subject to withdrawal from the state treasury by the head of each budget unit when actually needed, on requisition to the department of finance in the same manner provided by law as other state funds are withdrawn. Funds received from the federal government in the form of grants or otherwise may be expended for the purpose intended even though received in a fiscal year other than that in which the related original encumbrance or expenditure was incurred. Trust and agency funds shall be allotted before an expenditure is made; and the secretary of the department of finance may withhold allotment of general fund appropriations to the extent trust and agency funds are available.

(5) Subject to prior approval by the secretary of the department of finance, the chief justice and the legislative research commission for their respective branches any budget unit which, as an incident to its authorized duties and functions, furnishes requested services or materials to any persons outside state government, where such services or materials are not required by law to be furnished gratuitously, may charge such persons an amount not to exceed the total expense to the budget unit of the services or materials furnished. The receipts from such approved charges shall be credited to the surplus account of the general fund.

SECTION 36. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) No state officer or budget unit shall, after the close of any fiscal year, incur, or vote, order or approve the incurring of, any obligation or expenditure under any appropriation for that fiscal year, and no expenditure shall be made from or charged to any appropriation for any fiscal year that has expired at the time the obligation of the expenditure was incurred.

(2) The department of finance may, for a period of thirty (30) days after the close of any fiscal year, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of expenditures incurred during that year or in fulfillment of contracts properly made during that year, but for no other purpose. After the expiration of thirty (30) days from the beginning of each fiscal year, all balances of appropriations for the prior fiscal year shall lapse to the surplus account of the general fund or road fund unless a joint budget resolution provides that the appropriation from which the expenditures shall be paid does not lapse. No further payments shall be made on any claims on account of expenditures of the prior fiscal year.

SECTION 37. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Budget units having bona fide receivables may, with the permission of the secretary of the department of finance, establish receivable accounts with a corresponding credit to an allotment account.

SECTION 38. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

No head of a budget unit or assistant designated by him shall approve any advice of employment, purchase order, contract requisition for reservation of funds or letter of travel authorization for travel outside of Kentucky that will involve an expenditure of any sum in excess of the unencumbered balance of the allotment to which the resulting expenditure will be chargeable.

SECTION 39. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Except as expressly authorized in this chapter, no person shall incur, or order or vote to incur, any obligation against the Commonwealth in excess of, or any expenditure not authorized by, an appropriation of the general assembly and an allotment of funds provided by Chapter 48 of this Act. Any such obligation so incurred shall not be binding against the Commonwealth, and shall be void and incapable of ratification by any administrative authority of the Commonwealth.

SECTION 40. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS

Each budget unit shall maintain a current inventory of all supplies and equipment. Such inventory of supplies and equipment shall be available for examination by the department of finance at all times. A copy of the inventory of each budget unit shall be filed with the department of finance as of June 30 of each year.

SECTION 41. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The governor, the chief justice, and the legislative research commission, or their designees may grant special authority for their budget units, during any fiscal year, to enter into contracts for capital outlay or for state printing, in anticipation of appropriations already made for the ensuing fiscal year or biennium. Contracts made before the close of a fiscal year under such authority shall be treated as deferred charges to the appropriations and expenses of the next fiscal year or biennium. The grant of such authority and a report of all contracts made under this section shall be reported to the department of finance.

SECTION 42. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided by law, each state officer or employe who is authorized by law to receive, from corporations or from the state treasury or from any fund appropriated out of the state treasury, his traveling or other expenses incident to the discharge of his official duties, shall submit to the department of finance an itemized statement of such expenses, accompanied by a receipt for each item of expense in excess of two dollars ($2.00), before the department shall audit or pay such expenses. The department of finance may rely on a preaudit performed by the budget unit as a basis for issuing a warrant.

(2) The department of finance may issue rules and regulations to permit budget units to contract with airlines, railroads, hotels, or other companies for services to a group of their employes while on official travel status. Such expenses are to be submitted to the department of finance on forms prescribed by the department of finance before the department shall audit or pay such expenses.

(3) The department of finance may issue rules and regulations to permit state officers or employes to assign their claim for reimbursement of travel expenses to airline, railroad, hotel, or other companies in payment of services rendered as provided for in subsection (2) of this section and as shown on the itemized statement and receipts as provided for in subsection (1) of this section, which statements and receipts shall indicate that such company has extended credit to said officer or employe in the name of the state and incident to the discharge of his official duties.

(4) Each state officer or employe who by reason of the duties assigned to his office is required to be at the state capital for the majority of the time, or who has an office located at the state capital, shall not be permitted to charge for expenses except from the state capital to the place where the business he is transacting is to be transacted, and from that place back to the state capital, and each officer or employe who is assigned to duty at some place other than the state capital shall only be permitted to charge to the state such expenses as are incurred in going from that place to the place where the business is transacted, and returning. Expenses in going from the state capital or the place where the officer or employe is assigned to duty to the officer's or employe's real place of residence, or in return therefrom, shall not be allowed unless it is shown that it was necessary for him to make the trip in the discharge of business for the state.

(5) The department of finance may issue rules and regulations to permit the payment of travel and other expenses incidental to the official activities of formally organized groups sponsored by or otherwise representing state agencies. The payment may be made direct to service establishments in the manner set forth in subsection (3) of this section, by an inter-account bill between budget units, or by reimbursement to the official or other employe who has been designated as the officer-in-charge of the organized group. If it is necessary that one (1) or more state employes or officials travel with the group, their expenses may be included in the total expenses for the group.

(6) The department of finance may issue rules and regulations allowing heads of budget units to establish imprest cash funds for reimbursement of travel expenses.

(7) Except as provided in KRS Chapter 6, but the provisions of any other laws to the contrary notwithstanding, and in lieu of the reimbursement of travel and other incidental expenses authorized by subsection (1) of this section, the department of finance may issue rules and regulations to provide for the payment of a fixed expense allowance per day to be established by the secretary of said department, plus necessary travel expenses, to each state officer or employe who is authorized by law to be reimbursed for expenses incurred in the discharge of his official duties. This payment shall be made from an appropriation for this purpose to a budget unit of a branch of government.

SECTION 43. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

Any funds received into the state treasury which are later determined not to be due to the state may be refunded to the person who paid such funds into the treasury. The department of finance may issue a *warrant to disburse the funds upon a request from the budget unit that originally received and deposited the funds. The request for refund must be approved by the head of the budget unit or his designated assistant. The department of finance may require any documentation deemed necessary.*

SECTION 44. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) The department of finance shall examine all authorizations for payment presented, and if it finds them correct shall file them and issue warrants upon the state treasurer. The department of finance shall not certify any claim to the state treasurer until it is satisfied that there is in the appropriation to the budget unit against which the claim is chargeable, a sufficient amount to pay the claim. The department of finance may rely on the preaudit performed by a budget unit as a basis for issuing a warrant.

(2) The department of finance, the chief justice and the legislative research commission with the approval of the attorney general, may authorize the compromise of any disputed claim by or against their respective branches of government. In the event of a claim against the Commonwealth which cannot be ascribed to a particular branch of government or budget unit thereof, with the approval of the attorney general, it may be compromised by agreement among them.

SECTION 45. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance, the chief justice, and the legislative research commission for their respective branches of government shall investigate any alleged mismanagement of any of the affairs of the state by any officer, employe or governing body responsible within their respective branches of government for the carrying out of any state function or the management of state funds and shall recommend the removal of any unnecessary officer or employe and of any officer or employe who they find has grossly mismanaged any state affairs within their respective branches of government.

SECTION 46. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

For the purpose of enforcing the provisions of this chapter and those sections of Chapters 41, 45, and 48 relating to the state budget and financial administration, the secretary of the department of finance, the chief justice, and the legislative research commission, for their respective branches of government, or any officer or employe designated by them, shall have free access during business hours to all books, reports, papers and accounts in the office or under the care or control of any budget unit of their respective branches of government, and may administer oaths, certify to official acts, issue subpoenas, compel the attendance of witnesses and the production of testimony touching any subject properly under investigation by them, and may compel the production of books, papers and accounts. If any person fails to comply with the order of, or to obey a subpoena issued by them or their designated agents, or refuses to testify as a witness to any matters regarding which he may be lawfully interrogated, the judge having jurisdiction of the person to whom the order or subpoena was issued may, on their application compel obedience by proceedings for contempt as in the case of disobedience of a subpoena or order issued from such court or a refusal to testify therein, and may adjudge such person guilty of contempt of court and punish him as provided by law in other contempt cases.

SECTION 47. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The department of finance, within budgetary limits fixed by any appropriations made by the general assembly for such purpose, shall contract with the city of Frankfort for the provision by the city to state agencies located at the seat of government for fire and police protection of state-owned property and other municipal services as are provided by the city to commercial and industrial taxpayers residing in the city of Frankfort.

SECTION 48. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) A budget unit of any branch of government may request that an audit be performed by the auditor of public accounts. Such request shall be in writing and shall include a statement of the scope and nature of the proposed audit.

(2) No budget unit shall enter into any contract with a certified public accountant for an audit unless the auditor of public accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request for an audit. Any contract with a certified public accountant entered into as a result of the auditor of public accounts declining to perform the audit shall specify the following:

(a) The certified public accountant shall forward a copy of the audit report and management letters to the auditor of public accounts and to the legislative research commission; and,

(b) The auditor of public accounts shall have the right to review the certified public accountant's work papers.

SECTION 49. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) Any department, board, commission, agency, advisory council, interstate compact, corporate body, or instrumentality of the Commonwealth of Kentucky applying for federal funds, aids, loans, or grants shall file a summary notification of the intended application with the department of finance in accordance with the existing A-95 procedures.

(2) When as a condition to receiving such federal funds, the Commonwealth of Kentucky is required to match the federal funds, a statement shall be filed with the notice of intent or summary of the application stating:

(a) The amount and source of state funds needed for matching purposes;

(b) The length of time such matching funds shall be required;

(c) The growth of the program;

(d) How the program will be evaluated;

(e) What action will be necessary should the federal funds be canceled, curtailed, or restricted; and

(f) Such other financial and program management data as required by the department of finance or by law.

(3) Any application for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, must be approved by the secretary of the department of finance, the legislative research commission and the chief justice for their respective branches of government or their designated agents prior to its filing with the appropriate federal agency. Any application for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, when such funds have not been appropriated for that express purpose, must be approved by the general assembly, if in session. When the general assembly is not in session, such application shall be reported to and reviewed by the interim joint committee on appropriations and revenue, as provided by subsection (4) of Section 24 of this Act.

(4) When any federal funds, aids, loans, or grants are received by any department, board, commission or agency of the Commonwealth of Kentucky, a report of the amount of funds received shall be filed with the department of finance; and this report shall specify the amount of funds which would reimburse an agency for indirect costs as provided for under OMB Circular A-87.

(5) The secretary of the department of finance may refuse to issue his warrant for the disbursement of any state or federal funds from the state treasury as the result of any application which is not approved pursuant to this section, or in regard to which the statement or reports required by this section were not filed.

(6) The secretary of the department of finance shall be responsible for the orderly administration of this section and for issuing the appropriate guidelines and regulations from each source of fund used.

Section 50. KRS 11.250 is amended to read as follows;

(1) The governor-elect or a delegate appointed by him shall be entitled to examine the budget *request of the executive branch of government* [~~report in process~~], and the department of finance shall provide him with every practicable facility for reviewing and familiarizing himself with its contents. The governor-elect shall be entitled to a seat in all hearings thereon. He shall be furnished a copy of the budget *request of each executive branch budget units* [~~report as approved by the governor~~]. The budget director shall make available to the governor-elect so much as he requests of the information upon which the governor's budget *recommendation* [~~report~~] is based.

(2) After a review of the *executive branch joint* [~~governor's~~] budget *resolution*, the governor-elect may prepare revisions and additions thereto. The budget director shall assist, upon request, in the preparation of such revisions and additions.

(3) The budget director shall have as many copies of the revised budget *recommendation of the executive branch of government* [~~report~~] printed as the governor-elect requests.

Section 51. KRS 15.500 is amended to read as follows:

(1) If funds appropriated by the general assembly and otherwise made available to the law enforcement foundation program fund are insufficient to provide the amount of money required by KRS 15.460, the department of justice shall establish the rate of assistance to be paid to eligible local units of governments and a schedule of percentage supplements to categorically specified wage rates within each local unit.

(2) Funds appropriated by the general assembly and unexpended by the department of justice at the close of the fiscal year for which the funds were appropriated shall not lapse as provided by *Section 36 of this Act* [~~KRS 45.230~~], but shall be carried forward into the following fiscal year.

Section 52. KRS 15.750 is amended to read as follows:

(1) Each commonwealth's attorney and each county attorney shall submit a proposed budget for his office to the prosecutors advisory council to be included in the total budget of the unified prosecutorial system and submitted as part of the budget of the office of the attorney general in accordance with KRS Chapter *48* [~~45~~]. Nothing contained herein shall be construed as limiting, restricting, or terminating the authority of local governmental units, including cities, counties, and urban counties, to provide financial support for the office of any prosecutor.

(2) Office expenses incurred by the commonwealth's attorney in the performance of his duties, as required by the Kentucky Revised Statutes, shall be paid by the Commonwealth.

(3) Office expenses incurred by the county attorney in the performance of his duties as criminal prosecutor shall be paid by the Commonwealth.

(4) Office expenses incurred by the county attorney in the performance of his duties as legal adviser to the county shall be paid by the fiscal court or by the urban county council as required by the Kentucky Revised Statutes.

Section 53. KRS 18.190 is amended to read as follows:

The commissioner of personnel shall be the executive and administrative head of the department of personnel and shall supervise and control all examinations and work of the department. He shall act as the personnel board's adviser on all matters pertaining to the civil service of this state. Within the limitations of the budget, the commissioner of personnel shall appoint and supervise such staff as may be needed in the department of personnel to carry out the purposes of KRS 18.110 to 18.360. It shall be the duty of the commissioner of personnel, with the aid of his staff to:

(1) Attend all meetings of the personnel board;

(2) Prepare and recommend to the personnel board rules and regulations for the purpose of carrying out the provisions of KRS 18.110 to 18.360. Such rules shall provide, among other things, the manner of completing appointments and promotions, including multiple and simultaneous certifications; rejection of ineligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examination; leaves of absence with and without pay; transfers, reinstatements, lay-offs; public notice of examinations; procedures for changes in rates of pay; and other conditions of employment;

(3) Establish general procedures for personnel recruitment, for certification, for improving the efficiency of employed personnel, and for the separation of employes deemed unsatisfactory or excessive by agency or department heads subject to the provisions of KRS 18.110 to 18.360;

(4) Appoint such examiners and technicians as are necessary for the conduct of the personnel program, whether on a permanent or temporary basis;

(5) Prepare and maintain a record of all employes, showing for each employe his name, post-office address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make such data and the class specifications for all positions available to the press and public;

(6) Prepare, in accordance with the provisions of KRS 18.110 to 18.360 and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;

(7) Make certification for appointment or promotion within the classified service, in accordance with the provisions of KRS 18.110 to 18.360;

(8) Make investigations concerning all matters touching the enforcement and effect of the provisions of KRS 18.110 to 18.360 and rules and regulations prescribed thereunder;

(9) Prepare, in cooperation with appointing authorities and others, programs for appraising employe work performance and collaborate with the several departments of the Commonwealth in the development of programs for employe training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department of personnel to this end;

(10) Provide personnel services to unclassified employes in agreement with the agencies involved not otherwise provided for herein;

(11) Present, in accordance with the provisions of *Section 5 of this Act* [~~KRS 45.070~~], budget *requests* [~~estimates~~] for the support of the personnel system created by KRS 18.110 to 18.360;

(12) Make a report and submit the same to the personnel board and to the governor not later than October first of each year; and

(13) Discharge such other duties as are imposed upon him by KRS 18.110 to 18.360, or by the board. The commissioner of personnel on behalf of the department may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

Section 54. KRS 36.140 is amended to read as follows:

(1) Officers and enlisted men ordered into active field service pursuant to KRS 37.240 or into active state service as defined in KRS 38.010(4) as individuals shall be entitled to reimbursement out of the state treasury for expense of transportation and for other expenses actually incurred pursuant to *Section 42 of this Act* [~~KRS 45.180~~] and the regulations promulgated thereunder, and, when government supplied quarters and mess facilities are not available to such officers and enlisted men without cost, they shall be entitled to reimbursement out of the state treasury for subsistence pursuant to *Section 42 of this Act* [~~KRS 45.180~~].

(2) Nothing in this section shall be construed to prevent such officers and employes of state departments and agencies from receiving fifteen (15) days annual military leave with pay.

Section 55. KRS 41.010 is amended to read as follows:

As used in KRS 41.070, 41.110, 41.120, 41.130, 41.150, 41.160, 41.290, 41.300 or 41.990, unless the context requires otherwise, the terms "appropriation," "budget unit," "disbursements," "employe," "expenditures," "expenses," and "receipts" have the meaning given them by KRS 43.010 and *Section 1 of this Act* [~~45.010~~].

Section 56. KRS 41.110 is amended to read as follows:

No public money shall be withdrawn from the treasury for any purpose other than that for which its withdrawal is proposed, nor unless it has been appropriated by the general assembly or is a part of a revolving fund, and has been allotted as provided in *Sections 1 through 30 of this Act* [~~KRS 45.010 to 45.990~~], and then only on the warrant of the department of finance. The provisions of this section do not apply to withdrawals of funds from state depository banks for immediate redeposit in other state depository banks or to funds held in trust for the security of bond holders.

Section 57. KRS 41.340 is amended to read as follows:

The treasurer shall make a clear, distinct and intelligible report of all money received and disbursed during each fiscal year, showing the receipts and expenditures of each year on account of every department of the public service, the name of each state depository and the rate of interest paid by it. The report shall be published annually and the treasurer shall *submit the report to the governor, the chief justice and the legislative research commission ninety (90) days after the close of the fiscal year* [~~lay the reports before the general assembly by the sixth day of the session~~].

Section 58. KRS 41.380 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor, the state treasurer, the secretary of the development cabinet and the secretary of the department of finance. The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.

(2) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the *surplus account of the general fund* [~~general expenditure fund~~], except that interest from investments of excess cash in the road fund shall be credited to the *surplus account of the* road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(4) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

Section 59. KRS 43.050 is amended to read as follows:

(1) The auditor constitutes an agency independent of the administrative departments enumerated in KRS 12.020, it being the policy of the general assembly to provide for the independent auditing of the accounts and financial transactions of all spending agencies of the state through a disinterested auditor, who is entirely independent of the state administration whose affairs he is called upon to audit.

(2) The auditor shall:

(a) Audit annually, and at such other times as may be deemed expedient, the accounts of all state agencies, all private and semiprivate agencies receiving state aid or having responsibility for the handling of any state funds, the accounts, records and transactions of the budget units, and the general accounts of the state.

(b) Make a complete audit and verification of all moneys handled for the account of the state government by local officials charged with the collection of fees or other money for or on behalf of the state, when such an audit is demanded in writing by the legislative research commission, the secretary of the department of finance or the governor, and may make such an audit when it is not so demanded.

(c) Examine annually the management, conduct and condition of all asylums, prisons, institutions for the mentally retarded and eleemosynary institutions and public works owned, operated or partly owned by the state, or in the conduct or management of which the state has any financial interest or legal power, giving special attention to the faithful and economical application of any money appropriated by the state to the institution or public works examined, or of any money in which the state has an interest.

(d) Examine annually the management and condition of the offices of the department of finance, the state treasurer and the superintendent of public instruction, to determine whether the laws regulating their duties are being fully complied with, and all money received by them for the state fully accounted for.

(e) Audit periodically all state revenue collections, and, if he finds that collections are not being satisfactorily made, report that fact to the authority whose duty it is to make such collections.

(f) Make special audits and investigations when required by the governor.

(g) Investigate the means of accounting for, controlling and insuring the safe custody of all property of the state, and verify the existence and condition of such property charged to, or held in the custody of any state agency.

(h) Audit the statements of financial condition and operations of the state government, examine the estimates of resources available for appropriation and the estimates of receipts prepared for inclusion in each *branch* [~~biennial~~] budget *recommendation* [~~report~~], and certify in writing the results of such audit and examination with such comments as he deems necessary for the information of the general assembly, his certificate and comments to be included with the statements and estimates as presented in the *branch* budget *recommendation* [~~reports~~].

(i) Report immediately in writing to the governor, each member of the legislative research commission, and the secretary of the department of finance, any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds, or other improper practice of financial administration, or evidence that any such handling, expenditure or practice is contemplated, and any obstruction of the auditor or his agents during the conduct of any audit or investigation of a state agency.

(j) Assist the legislative research commission at hearings and investigations conducted by it and cooperate with the legislative research commission in the preparation of its reports to the general assembly.

(k) Keep accounts showing the costs of his own operations and of each separate audit and investigation made by him, and such accounts as he deems necessary to provide a record of warrants of the state outstanding as of the end of each calendar month.

(3) The auditor may investigate and examine into the conduct of all state and county officers who are authorized to receive, collect or disburse any money for the state, or who manage or control any property belonging to the state or in which the state is interested, or who make estimates or records that are used as a basis by any state agency in the disbursement of public funds.

(4) The auditor shall not be responsible for the keeping of any accounts of the state, except accounts relating to his own operations, and records of outstanding warrants. He shall not be responsible for the collection of any money due the state, or for the handling or custody of any state funds or property except in the process of counting and verifying the amounts of such funds or property in the course of the audits provided for in this section.

Section 60. KRS 45.760 is amended to read as follows:

The provisions of any other law notwithstanding:

(1) The governor shall include in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the draft *joint budget resolution for the executive branch* [~~appropriation act or acts~~] submitted to each regular session of the general assembly pursuant to KRS 45.030 and 45.040, for the biennium period beginning July 1, 1980 and for each biennium thereafter, a recommended state capital construction program and a recommended program for the purchase of major items of equipment.

(2) The recommended capital construction program shall include:

(a) A complete list and summary description of each specific capital construction project recommended for funding during the biennium; and

(b) For each project:

(i) The agency and purpose for which it will be used;

(ii) The justification for the project;

(iii) Its estimated completion date;

(iv) The total estimated cost of completing the project;

(v) The estimated cost of the project during the biennium;

(vi) The recommended sources of funds for the entire project; and

(vii) The dollar amounts recommended for appropriation and the dollar amounts, listed by source, that are anticipated from every other source of funds for the biennium.

(3) All information required by subsection (2) of this section shall be included in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~]. The *joint budget resolution for the executive branch* [~~draft appropriation act or acts~~] shall contain only a complete list of the specific capital construction projects recommended for funding during the biennium and, for each project, the information specified in subparagraphs (v), (vi) and (vii) of subsection (2)(b) of this section.

(4) During any biennium beginning July 1, 1980 and during each biennium thereafter, the amount allotted, from all sources, for expenditure on any project in the state capital construction program for that biennium shall not exceed the estimated cost of the project during that biennium, as shown in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the *joint budget resolution for the executive branch* [~~appropriation act or acts~~] enacted by the general assembly, except as provided in KRS 45.770 and 45.780.

(5) The recommended program for the purchase of major items of equipment shall include:

(a) A complete list and summary description of each specific major item of equipment recommended for purchase during the biennium; and

(b) For each major item of equipment:

(i) The agency and purpose for which it will be used;

(ii) The justification for the purchase;

(iii) The estimated cost of the item;

(iv) The recommended sources of funds; and

(v) The dollar amounts recommended for appropriation and anticipated from every other source of funds for the purchase.

(6) All information required by subsection (5) of this section shall be included in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~]. The *joint budget resolution for the executive branch* [~~draft appropriation act or acts~~] shall contain only a complete list of each specific item of major equipment recommended for purchase during the biennium and, for each item, the information specified in subparagraphs (iii), (iv) and (v) of subsection (5)(b) of this section.

(7) During any biennium beginning July 1, 1980 and during each biennium thereafter, the amount allotted from all sources for expenditure for the purchase of any major item of equipment shall not exceed the estimated cost of the item as shown in the *executive branch* [~~biennial~~] budget *recommendation* [~~report~~] and in the appropriation act or acts enacted by the general assembly and authorizing the purchase, except as provided in subsection (8) of this section and in KRS 45.770 and 45.780.

(8) A major item of equipment to be used for medical, scientific or research purposes, excluding computer equipment, may be purchased even though it is not specifically listed in the biennial budget report and appropriation act or acts enacted for the current biennium subject to the following conditions and procedures:

(a) Monies specifically appropriated by the general assembly for another purpose shall not be realloted for expenditure on the item;

(b) Funds are available for the purchase and the method of financing the purchase will not require an additional appropriation of state funds to acquire the item; and

(c) The purchasing agency shall, within thirty (30) days after making the purchase, report the purchase to the capital construction and equipment purchase oversight committee. The report shall include a description of the item, the purpose for which it will be used, the necessity for the purchase, and the amount expended for the purchase from each source of funds used.

Section 61. KRS 45A.065 is amended to read as follows:

(1) The secretary of the department of finance may establish a procurement advisory council which shall meet at least once a year for the discussion of problems and recommendations for improvement of the procurement process. When requested by the secretary, the procurement advisory council shall conduct studies, research, analyses, and make reports and recommendations with respect to such subjects or matters within the jurisdiction of the secretary as may be prescribed. The procurement advisory council may consist of such qualified representatives of government, industry, educational institutions, and the general public as the secretary may deem desirable. Members shall be reimbursed for expenses incurred in the performance of council duties subject to the provisions of *Section 42 of this Act* [~~KRS 45.180~~].

(2) The secretary of the department of finance may appoint advisory councils to assist him with respect to specifications and procurement in specific commodity areas as well as other matters within his authority. Advisory council members may consist of various qualified representatives as described in subsection (1) of this section, as may be appropriate for the designated task or project. Compensation shall be provided as in subsection (1) of this section.

(3) The secretary may also establish and maintain, either alone or in cooperation with other states, the federal government, municipalities, or other units of local government, a procurement institute for the purpose of disseminating information concerning state procurement and for training and educating officials and other persons in procurement, including persons not employed by the Commonwealth.

Section 62. KRS 56.870 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, prior to the issuance and sale of any definitive bonds or temporary bonds, or the securing of any interim financing through bond anticipation notes, loan agreements or by any other means, each agency, authority, board, corporation, cabinet, commission, or any other agency or instrumentality of the Commonwealth shall first obtain approval of any such financing from the general assembly, sitting in regular or special session. Such approval shall be evidenced by the adoption by the general assembly of a specific act or the adoption by the general assembly of the [~~biennial budget report and the~~] biennial *joint budget resolution* [~~appropriation act~~] which shall specify the purposes for such financing.

(2) The biennial *joint budget resolution* [~~appropriation act and budget report~~] shall also establish a ceiling for revenue bonds which require a general fund appropriation to retire.

(3) The provisions of subsection (1) of this section shall not be applicable to the financing of any project in any case where the project for which financing is proposed is certified by the governor, as hereinafter provided, to be of such type as to independently produce revenues sufficient to fully meet debt service on such financing so that no appropriation of state general funds will be required. Such certification shall

be made in writing by the secretary of finance to the statutory head of the issuing agency or authority with a copy to the governor and the legislative research commission.

Section 63. KRS 67A.877 is amended to read as follows:

(1) The properties to be benefited by construction of a wastewater collection project shall consist of all real properties which are thereby afforded a means of draining wastewater from such properties, whether such real properties consist of unimproved land or contain improvements. Benefited properties shall include all real properties which are directly contiguous and abutting to any proposed sewer, lateral, main, outfall line, transmission line, interceptor, sewer easement to contain a project facility, or other project facility into which sanitary discharge and drainage of wastewater may be accomplished, whether the project sewer facility be constructed by application of the proceeds of the bonds or from funds otherwise made available by the government. Provided, however, the urban-county council of the government undertaking a project may adopt reasonable rules and regulations in respect of benefited property, and may exclude real properties which the urban-county council deems appropriate for exclusion because of location, size or other special circumstances.

(2) The urban-county council of the government may determine, either in the ordinance of initiation or in subsequent proceedings, the necessity and desirability in the interests of the public health, safety and general welfare, that properties other than the benefited properties be permitted to connect to a wastewater collection project in the future, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties may, by paying charges for the privilege of connecting and by assuming assessment obligations, be placed as nearly as practicable on a basis of financial equity with the owners of property initially provided to be benefited and assessed.

(3) Benefited property owned by any city, county, or urban-county government (or owned by the United States of America or any of its agencies, if such property is subject to assessment by act of congress), shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, urban-county government or United States government, as the case may be.

(4) Benefited property owned by the Commonwealth of Kentucky, except property the title to which is vested in the Commonwealth for the benefit of a district board of education pursuant to KRS 162.010, shall be assessed as follows: Before assessing the Commonwealth, the urban-county council shall serve written notice on the secretary of the department of finance of the Commonwealth, setting forth specific details, including the estimated aggregate total amount of any improvement benefit assessment proposed to be levied against any property of the Commonwealth relative to the project. Said written notice shall be served prior to the next regular session of the general assembly of Kentucky so that the amount of any specific improvement assessment may be included in the biennial *executive branch* budget *recommendation* [~~report~~] to be submitted to the general assembly. Payment of any assessment shall be made only from funds specifically appropriated for that assessment. If an amount sufficient to pay the total amount of an assessment has been appropriated, then the total amount shall be paid, as and when due. If an amount sufficient only to pay annual assessment has been appropriated, then only the amount of the annual assessment shall be paid. The amount of the assessment shall be certified by the commissioner of finance of the urban-county government to the department of finance, which shall thereupon draw a warrant upon the state treasurer payable to the government and the state treasurer shall pay the same.

(5) In the case of property the title to which is vested in the Commonwealth for the benefit of a district board of education, the amount of the annual assessment shall be paid by the city, county, urban-county government or other local governmental agency or authority which represents the taxing authority of such board of education.

(6) No benefited property shall be exempt from assessment, except as herein provided.

Section 64. KRS 107.140 is amended to read as follows:

(1) (a) In the case of improvements of public ways, the benefited property shall consist of all real property abutting upon both sides of the improvement project, and the cost of improving intersections shall be included in the total costs to be assessed and apportioned, unless and to the extent the city shall appropriate, within constitutional limitations, from available funds, definite and specified sum as a contribution thereto, or a portion of the aggregate cost, or the cost of specified portions of the improvement; provided, however, that if provisions shall be made for sidewalk improvements, as an integral part of the improvement of a "public way," as defined in subsection (3) of KRS 107.020, upon only one side of the project, the costs of the sidewalk improvement shall be ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assessment shall include a fair share of the over-all costs as herein defined, other than the amounts of the actual construction contracts.

(b) In the case of improvements for draining sewage, storm water, or a combination thereof, the benefited properties shall consist of all properties which are thereby afforded a means of drainage, including not only the properties which may be contiguous to the improvements, but also adjacent properties within a reasonable distance therefrom as the governing body may in the proceedings set forth.

(c) In the case of an improvement project consisting in whole or in part of a sewage treatment plant, or enlargement or substantial reconstruction of an existing sewage treatment plant, the benefited properties shall be all those properties the sewage from which is treated in such plant, including properties already provided with sewer drainage facilities as well as those properties which the improvement project will provide with such drainage facilities, but the governing body may classify properties according to the extent of benefits to be afforded to them, and may establish one (1) rate of assessment applicable to all properties participating in the benefits of the sewage treatment installations, and an additional rate of assessment applicable to properties for which the improvement project will also provide sewer drainage facilities. In relation to wastewater collection projects constructed by metropolitan sewer districts, benefited property shall consist of all property whether improved or unimproved to which the project affords a means of discharging wastewater.

(d) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare, that properties other than the properties originally benefited by an improvement under paragraphs (b) or (c) of this subsection, be permitted to connect to such sewer drainage and/or treatment facilities, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties, may, by paying charges for the privilege of connecting, and/or by assuming a share of improvement assessments, or otherwise, be placed as nearly as practicable on a basis of financial equity with the owners of properties initially provided to be assessed.

(e) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare that residential properties within one thousand feet (1000'), measured along paved roads, of a fire hydrant in cities of the third through sixth classes may be assessed on the same basis as property abutting upon a street where a fire hydrant is to be installed.

(2) (a) Benefited property owned by the city or county, or owned by the United States government or any of its agencies, if such property is subject to assessment by act of congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, or United States government, as the case may be. The same right of action shall lie against the county as against a private owner.

(b) Benefited property owned by the state, except property the title to which is vested in the Commonwealth for the benefit of a district board of education pursuant to KRS 162.010, shall be assessed as follows: Before assessing the state, the governing body shall serve written notice on the secretary of the department of finance setting forth specific details including the estimated total amount of any improvement assessment proposed to be levied against any state property relative to any proposed improvement project. Said written notice shall be served prior to the next regular session of the general assembly so that the amount of any specific improvement assessment may be included in the biennial *executive branch* budget *recommendation* [~~report~~] to be submitted to the general assembly. Payment of any assessment shall be made only from funds specifically appropriated for that assessment. If an amount sufficient to pay the total amount of any assessment has been appropriated, then the total amount shall be paid; if an amount sufficient only to pay annual assessments has been appropriated, then only the amount of the annual assessment shall be paid. The amount of the assessment shall be certified by the city treasurer to the department of finance, which shall thereupon draw a warrant upon the state treasurer, payable to the city treasurer, and the state treasurer shall pay the same.

(c) In the case of property the title to which is vested in the Commonwealth for the benefit of a district board of education, the amount of the annual assessment shall be paid by the city or other local governmental agency or authority which undertook the improvement project.

(3) No benefited property shall be exempt from assessment.

Section 65. KRS 134.400 is amended to read as follows:

(1) All penalties imposed by law, either in whole or in part, in favor of or for the benefit of agents of the department of revenue, sheriffs and other state, county or district agents or officers, upon or for the recovery of taxes or the assessment of omitted property, shall be paid into the state treasury and credited as provided for the twenty percent (20%) penalty in subsection (2) of this section.

(2) The twenty percent (20%) penalty collected on taxes due the state, county, school or other taxing district shall be paid into the state treasury. One-fourth (¼) of the moneys thus received shall be credited to the general expenditure fund. The remaining three-fourths (¾) shall also be credited to the general expenditure fund unless the general assembly, in its biennial *joint budget resolution* [~~appropriation act~~], provides that it be credited to a fund to be designated and known as the delinquent tax fund, in which case it shall be so credited and so much thereof as may be necessary shall be used for the administration and enforcement of the laws relating to the collection of delinquent taxes and the assessment of omitted property. All salaries, fees and expenses authorized by the laws relating to the collection of delinquent taxes and the assessment of omitted property, except the fees of county attorneys, shall be payable out of the delinquent tax fund upon certifications or requisitions of the commissioner of revenue.

Section 66. KRS 147B.035 is amended to read as follows:

The council may disburse any and all funds appropriated by the general assembly, or received from any state agency, and may apply for, receive and disburse funds from the federal government or any public or private agency or organization for purposes of carrying out the provisions of KRS 147B.010 to 147B.035. The office for research, college of business and economics may recover the cost of its services to the council, including any employe expense properly attributable thereto, provided, however, that council members, exclusive of the chairman and executive director shall not be entitled to compensation for their services on or for the council, but shall be entitled, subject to the provisions of *Section 42 of this Act* [~~KRS 45.180~~] and the state travel regulations, to reimbursement for all actual and necessary expenses incurred in connection with the performance of their duties.

Section 67. KRS 148.021 is amended to read as follows:

(1) The department of parks shall exercise all administrative functions of the state relating to the operation of state parks, shrines, monuments, and museums except those allocated to the historical society.

(2) The department may request acquisition, subject to the provisions of KRS Chapters 42, 45, 56, and the provisions made in this chapter, of lands by purchase, lease or otherwise, on which to operate state parks.

(3) The department may improve said parks by constructing and equipping improvements or facilities in said parks.

(4) The department may operate said parks, and fix fees and charges for the use of said parks and the improvements and facilities constructed therein, and provide for the collection of said fees and charges and the proper accounting therefor.

(5) The department of parks is authorized to enter into any agreement with the breaks interstate park commission for the operation of any facilities in the breaks interstate park.

(6) The department of parks is authorized to accept, for deposit in a trust and agency fund account in accordance with *Section 35 of this Act* [~~KRS 45.140~~], on behalf of the state any grant or contribution, federal or otherwise, to assist in meeting the cost of carrying out the functions assigned to the department of parks.

(7) Notwithstanding any provision in KRS chapter 41, 45, or 47 to the contrary, there may be established separate cash funds and depositories at each state park from which immediate payment of refunds may be made to a patron or guest of such state park of any unearned money advanced or paid by such guest or patron. The department may accept from a guest or patron an amount which includes the fee for the service rendered plus a gratuity for the waitress or other designated person and remit the gratuity directly from the depository or cash fund to the designated recipient thereof. Such funds or depositories shall be governed by regulations established by the department of parks and approved by the department of finance.

Section 68. KRS 149.020 is amended to read as follows:

(1) The department for natural resources and environmental protection may receive by donation, purchase, or lease lands for forestry purposes, and may convey, exchange or lease said lands and may sell timber or other forest products thereon. In exercising this function the department shall be exempted from any provision of *Section 31 of this Act* [~~KRS 42.030~~] or *KRS* 45.360, except with respect to the purchase, conveyance or exchange of lands.

(2) No land shall be purchased, leased or received as a donation unless the title thereto is merchantable and has been approved by the attorney general.

Section 69. KRS 149.050 is amended to read as follows:

(1) The division may lease or rent portions of lands acquired by it to responsible persons, for cultivation and grazing, but in no event shall it lease or rent lands the use of which would be detrimental to the growth of timber or destructive of game or wild animal life. Proceeds resulting from the leasing of such lands shall be covered into the state treasury.

(2) The division may, with the consent of the owner of lands leased to it, sublease or rent any of the leased lands in a manner that will not interfere with the growth of timber or the propagation of game and wild animal life. If the lands are subleased or rented under these conditions, the division and the owner shall divide the proceeds arising from the use of the lands, on a fifty-fifty basis, the division's one-half (½) shall be covered into the state treasury.

(3) In exercising the functions of this section the division shall be exempted from any provision of *Section 31 of this Act* [~~KRS 42.030~~] or *KRS* 45.360.

Section 70. KRS 151.560 is amended to read as follows:

(1) There is hereby created the flood control advisory commission, which shall be composed of fifteen (15) members as follows:

(a) The governor shall appoint six (6) members: two (2) state legislators, one (1) from the senate and one (1) from the house of representatives; two (2) mayors; and two (2) county judges/executive; and

(b) The legislative research commission shall appoint nine (9) members, one (1) from each of the following river basins: Big Sandy; Licking; Kentucky; Salt; Green; Ohio River Main Stem; Tennessee; Mississippi; and Upper Cumberland.

(2) Each member shall serve a four (4) year term, except the first commission members appointed by the legislative research commission who shall serve terms as follows:

(a) Three (3) members shall serve for terms of two (2) years from the date of appointment;

(b) Three (3) members shall serve for terms of three (3) years from the date of appointment; and

(c) Three (3) members shall serve for terms of four (4) years from the date of appointment.

(3) Commission members may be reappointed. A vacancy in an unexpired term shall be filled for the unexpired portion of the term in the same manner as the original appointment to that term.

(4) Any member who misses three (3) consecutive meetings of the commission shall be deemed to have vacated the office. The commission shall declare the office vacant and the office shall be filled as provided by subsection (3) of this section.

(5) Two (2) of the commission members shall be elected by the commission to serve on the water resources authority of Kentucky, which service shall cease with the expiration of the term of appointment on the commission, if not sooner.

(6) The commission shall annually elect one of its members as chairperson. The commission shall meet quarterly or more often if necessary. A quorum for the transaction of business shall be nine (9) members, and a majority of the members present at a meeting may take action on any matter legally before it.

(7) Members shall be paid their necessary expenses incurred in attending meetings and in the performance of their official duties.

(8) The commission shall employ an executive director, who shall be qualified on the basis of administrative ability in water resource management. The commission, on the advice of the executive director, shall employ additional staff, as required, who are knowledgeable in such areas as hydrology, geology, engineering, municipal planning, regional planning, economics, and secretarial science. The commission may engage, as needed, the professional services of individuals on a contractual basis.

(9) The commission shall be attached for administrative purposes to the office of the governor.

(10) The commission shall receive an annual appropriation from the general fund and shall prepare a line-item budget, which shall appear as a line item in the *executive branch* biennial budget *recommendation* [~~report~~] and in the biennial *joint budget resolution* [~~appropriation act~~].

(11) The commission may receive private funds, federal grants, and discretionary funds from the department for natural resources and environmental protection.

(12) The commission shall issue rules and regulations as necessary to control internal procedures. The commission shall establish by regulation the boundary for each river basin referred to in subsection (1)(b) of this section.

Section 71. KRS 164.892 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of three hundred fifty thousand dollars ($350,000) in the manner and within the time specified in subsection (3) of this section.

(2) Upon receipt of the initial payment of eighty-seven thousand five hundred dollars ($87,500), the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Louisville" and there shall be credited to said fund the initial payment of eighty-seven thousand five hundred dollars ($87,500), all income thereafter earned from the investment of said fund and all contributions thereafter made by the university to said fund. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of KRS 41.380 or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The university shall make an initial payment of eighty-seven thousand five hundred dollars ($87,500) upon action by its board of trustees as described in KRS 164.895. Annual payments of eighty-seven thousand five hundred dollars ($87,500) shall be made thereafter until the university has paid a total of three hundred fifty thousand dollars ($350,000) into the "basic coverage compensation fund, University of Louisville," except that when the university commences the operation of a teaching hospital, the difference between the total of all annual payments made into the basic coverage compensation fund and the sum of three hundred fifty thousand dollars ($350,000) shall become due and payable.

(4) The funds held in any fund created under KRS 164.890 to 164.895 shall be expended solely in payment of claims and judgments for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1976 and which may occur in the future and which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(5) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the

board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth then such payment must also be approved by the secretary, or his delegate.

(6) Funds held in any account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(7) In addition to the payments to said fund required to be made in subsection (3) above, annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. Provided, however, that if the university and the secretary shall at any time in the future mutually determine, based on sound actuarial principles, that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one (1) year, then an annual contribution in such lesser amount as may be determined may be made.

(8) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses, and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(9) Claims and judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created by contribution from the university shall at any time fail to have sufficient funds to pay all such judgments, then they shall be paid out of the excess coverage fund upon certification by the secretary. Said excess coverage fund shall be expended only upon exhaustion of the basic coverage compensation fund and any liability insurance from any source whatsoever.

Section 72. KRS 164.941 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of $350,000.

(2) Upon receipt of said payment of $350,000 the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Kentucky" and there shall be credited to said fund the initial payment of $350,000, all income thereafter earned from the investment of said fund, and all contributions thereafter made by the university. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of KRS 41.380 or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The funds held in any fund created under KRS 164.939 to 164.944 shall be expended solely in payment of claims for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1975 and which may occur in the future which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(4) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth under the provisions of subsection (8) of this section then any payment from said fund must also be approved by the secretary, or his delegate.

(5) Funds held in an account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(6) Annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. In the event

the university terminates its commercial excess insurance coverage then said annual contributions shall be in the amount of $250,000 with the first contribution being due and payable within twelve (12) months next following the month in which such insurance is terminated. Provided, however, that if the university and the secretary shall at any time in the future, based upon accepted actuarial principles, mutually determine that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one year, then an annual contribution in such lesser amount as may be determined may be made.

(7) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(8) Claims or judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created hereunder shall at any time fail to have sufficient funds to pay all judgments, then they shall be paid out of the excess coverage fund upon certification of the obligation by the secretary and the university. Said excess fund shall be expended only upon exhaustion of the basic coverage compensation fund and any insurance from any source whatsoever.

Section 73. KRS 171.280 is amended to read as follows:

The revolving fund established by *the joint budget resolution* [~~appropriation acts~~], consisting of all moneys collected under the provisions of KRS 171.230 to 171.300 shall be designated as the librarian's certification fund. All money credited to the fund shall be used for the support of the board for certification of librarians, and for the purposes of KRS 171.230 to 171.300.

Section 74. KRS 175.780 is amended to read as follows:

In order to provide for the construction, reconstruction, and relocation of economic development road projects, the authority is hereby authorized and empowered, subject to the limitations contained in the biennial *joint budget resolution* [~~appropriations act~~], under and pursuant to the terms and provisions of a written agreement or agreements with the department, to construct, reconstruct, relocate, finance, and operate economic development road projects, to lease such projects to the department, and to issue economic development road revenue bonds or notes of the authority to finance such projects. In the planning, construction and financing of any economic development road project, the authority and the department shall, subject to the provisions of KRS 175.750 to 175.810, have and use all authority, procedures and rights provided by the provisions of KRS 175.410 to 175.690, inclusive.

Section 75. KRS 212.120 is amended to read as follows:

(1) Upon the creation of a county health department, the fiscal court of the county shall at once notify the department for human resources of the action of the county to create, establish and maintain a county health department. When the duly qualified officials of a county certify to the department for human resources a true copy of the order or vote establishing a health department, and providing for its maintenance, and state the amount of the annual appropriation provided by the county the department for human resources shall make an investigation as to the necessity of the development of the department, and the adequacy of the appropriation provided by the county therefor, and shall report its findings to the governor.

(2) If the department for human resources finds that such county health department has been established in accordance with the provisions of this chapter and is being maintained, conducted and operated in accordance with the standards prescribed by the department for human resources, the department for human resources shall, on or before July 1 in each year, allot to each such county health department such amount that the department for human resources deems to constitute a just and equitable share of all funds available therefor by appropriation by the General Assembly of this Commonwealth, by grants and gifts received by this Commonwealth from the government of the United States of America or any of its agencies or instrumentalities, and from other sources. Provided, however, that no allotment to any such county health department shall be less than two thousand five hundred dollars ($2,500).

(3) In determining the allotments referred to in subsection (2) of this section, the department for human resources shall endeavor to provide for a distribution of the funds in a manner that is reasonably calculated to equalize, so far as practicable, local health services to the people of all counties served by the county health departments. The department for human resources may take into consideration variations existing between counties by reasons of difference in population, resources, industrialization, tax assessments and tax rates, and other local factors and conditions; the legislative intent being hereby declared to be that counties shall provide, from local sources of revenue that are available or that may be made available to them, financial support of county health departments to the extent of their representative abilities.

(4) The department for human resources may, in its discretion alter or modify allotments from time to time and shall cancel any allotment whenever it finds that there is no further need or necessity for a particular county health department for whose benefit the allotment was made or whenever a particular county health department for whose benefit an allotment was made is not maintained, operated and conducted in accordance with the standards prescribed by the department for human resources. Nothing in this section shall be construed as requiring the department for human resources to allot all funds available for local health

purposes, or as prohibiting the board from allotting such portion thereof, as the board may determine, to a reserve account which may be sub-allotted by the board in such a manner that it considers proper in the event of emergencies, disaster, or unforeseen events, without regard to the provisions of subsection (3) of this section.

(5) Notwithstanding the provisions of *Section 36 of this Act* [~~KRS 45.230~~] and any other provision of the Kentucky Revised Statutes, any unexpended or unencumbered balance of any appropriations made available for allotment and expenditure, as provided above, for the first fiscal year of each biennium, remaining at the end of such fiscal year, shall be carried forward and be available for expenditure at any time during the ensuing fiscal year within the biennium and no portion thereof shall lapse to the general fund.

Section 76. KRS 330.050 is amended to read as follows:

(1) There is hereby created a board of auctioneers. The governor shall appoint a board consisting of five (5) members, three (3) of whom immediately prior to the date of their appointment have been residents of the Commonwealth of Kentucky for five (5) years, and whose vocation for a period of at least five (5) years has been that of an auctioneer. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The term of the members of the board shall be for three (3) years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term.

(2) At no time shall there be more than three (3) members of the same political faith on the board. Whenever there is a vacancy on the board, the Kentucky auctioneer association shall recommend to the governor at least three (3) names for each auctioneer vacancy and such appointment or appointments shall be made from the recommendations of the association.

(3) The board, immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a chairman.

(4) Each member of the board shall receive the sum of twenty-five dollars ($25.00) per day as full compensation for each day actually spent on the work of the board and his actual and necessary expenses incurred in the performance of duties pertaining to his office.

(5) The board shall have full authority to employ, and discharge, a secretary and such other personnel as may be necessary to administer and enforce the provisions of this chapter, and it shall outline the duties and fix the compensation of such persons, which compensation shall be comparable to the salaries paid other state employes doing similar work. The board shall obtain office space, furniture, stationery and any other proper supplies and conveniences reasonably necessary to carry out the provisions of this chapter.

(6) All fees and charges collected by the board under the provisions of this chapter shall be paid into the state treasury through the department of finance and shall be credited to an agency-fund account for the board of auctioneers under the provisions of *Section 35 of this Act* [~~KRS 45.140~~] and shall be withdrawn or expended as provided in that section. The total expenses for all purposes and obligations of the board shall not exceed the total fees, charges, fines and penalties imposed under the provisions of this chapter and paid into the state treasury. The board shall be financially self-sustaining, and if funds permit it may underwrite, within its financial limitations, educational programs for the enlightenment and benefit of all auctioneers and apprentice auctioneers who have paid fees pursuant to this chapter.

(7) The board shall annually publish a list of the names and addresses of all auctioneers and apprentice auctioneers licensed by it pursuant to this chapter. This list shall also contain the names of all persons whose licenses have been suspended or revoked within the preceding year, as well as any other information relative to the enforcement of the provisions of this chapter that the board may deem of interest to the public.

(8) The board may from time to time promulgate necessary rules and regulations.

Section 77. KRS 334A.120 is amended to read as follows:

All monies received by the board under this chapter shall be paid to the secretary of the board. All money shall be deposited in the state treasury into a separate trust fund for the board. The board shall be financed solely and individually from income accruing to it from fees, licenses, and other charges collected by the board and all such monies are hereby appropriated to the board. All salaries and expenses shall be paid as budgeted after budgets have been approved by the state budget commission or within the limitations of any appropriation for that purpose which may be included in the *executive branch joint budget resolution* [~~general appropriations act~~].

Section 78. KRS 335.140 is amended to read as follows:

All fees and other charges received by the board under this chapter shall be deposited in the state treasury and credited to a separate trust and agency account for the board. The moneys so deposited shall be used to finance the board, and are hereby appropriated to the board. All salaries and expenses shall be paid as budgeted after budgets have been approved by the state budget commission or within the limitations of any appropriation for that purpose which may be included in the *executive branch joint budget resolution* [~~general appropriations act~~].

Section 79. The following KRS sections are repealed:

42.030 General functions of department.

42.160 Mismanagement of state affairs, duty of department in case of.
42.320 State clearinghouse functions for federal funds.
45.010 Definitions.
45.020 Expenditures to be authorized by appropriation acts — Refund of funds illegally received.
45.030 Biennial budget report to be prepared.
45.040 Contents of biennial budget report.
45.045 Budget recommendations.
45.050 Appropriation and revenue acts — Adoption — Questions of interpretation.
45.060 Forms for budget estimates.
45.070 Estimates to be submitted by heads of budget units.
45.080 Continuous financial planning.
45.090 Duties of governor in preparation of budget report — Governor-elect to be informed.
45.100 Budget report to be printed and transmitted to house of representatives.
45.110 Representative of department of finance to serve appropriations committees.
45.120 Appropriation of preceding year, when continued.
45.140 Revolving trust and agency accounts — Charges for services by agencies.
45.155 Contract between state and city of Frankfort for municipal services to state agencies.
45.160 Allotment of appropriations — Deviations.
45.170 Disbursements, how authorized — Vouchers.
45.180 Expense accounts of state officers and employes.
45.185 Establishment of air travel credit plan and other credit plans.
45.190 Unauthorized obligations — Current inventories of supplies and equipment.
45.200 Contracts for capital outlay or printing in anticipation of appropriations.
45.220 Examination of claims — Preaudit by budget unit — Compromise of disputed claims.
45.230 Lapsing of appropriations.
45.250 Forms for use in state financial and business administration.
45.285 Audit of state agency by auditor of public accounts — Contract for audit by certified public accountant — Right of review.
45.300 System of state accounts.
45.320. Fiscal reporting.
45.321 Receivable accounts.
45.322 Accounting system fund structure.
45.330 Power of the department of finance to make investigations and secure evidence.

The Committee on Appropriations and Revenue reported **HB 534** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 534, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96.820 is amended to read as follows:

(1) For the purposes of this section, unless the context requires otherwise:

(a) "Taxing jurisdiction" shall mean each county, each school district, each municipality, and each other special taxing district located within the state.

(b) "State" shall mean the Commonwealth of Kentucky.

(c) "Tax equivalent" shall mean the amount in lieu of taxes computed according to this section which is required to be paid by each board to the state and to each taxing jurisdiction in which the board operates and required by subsection (11) of KRS 96.570 to be included in resale rates.

(d) "Tax year" shall mean the twelve-calendar-month period ending with December 31.

(e) "Current tax rate" shall mean the actual levied ad valorem property tax rate of the state and of each taxing jurisdiction which is applicable to all property of the same class as a board's property subject to taxation for the tax year involved.

(f) "Book value of property" or "book value of property owned by the board" shall mean the sum of:

1. The orginal cost (less reasonable depreciation or retirement reserve) of a board's electric plant in service on December 31 of the immediately preceding calendar year located within the state, used and held for use in the transmission, distribution, and generation of electric energy, and

2. The cost of the material and supplies owned by a board on December 31 of the immediately preceding calendar year. For the purpose of this definition, "electric plant in service" shall mean those items included in the "electric plant in service" account prescribed by the federal power commission uniform system of accounts for electric utilities, and "material and supplies" shall mean those items included in the accounts grouped under the heading "material and supplies" in the said system of accounts.

(g) "Adjusted book value of property" or "adjusted book value of property owned by the board" shall mean the book value of property owned by the board excluding manufacturing machinery as interpreted by the department of revenue for franchise tax determination purposes.

(h) The "adjustment factor" shall be 125 per cent for the tax year 1970. For each tax year thereafter, it shall be the duty of the department of revenue to compute the adjustment factor for that tax year as follows: For each 5 percentage points or major fraction thereof by which the adjustment ratio for electric utility property for the immediately preceding tax year exceeded or was less than 116 per cent, 5 percentage points shall be added to or subtracted from 125 per cent. For the purposes of this computation, "adjustment ratio for electric utility property" shall mean the ratio of total assessed value to total property value for all public service corporations distributing electric energy to more than 50,000 retail electric customers within the state. "Total assessed value" shall mean the total actual cash value assigned by the department of revenue for ad valorem property tax purposes to the property of such corporations located within the state (properly adjusted for property under construction). "Total property value" shall mean the sum of:

1. The depreciated original cost of the total utility plant in service of such corporations within the state, and

2. The book value of material and supplies of such corporations located within the state, both as derived from published reports of the federal power commission, or in the absence thereof, from information provided to the department of revenue by such corporations.

(i) "Electric operations" shall mean all activities associated with the establishment, development, administration, and operation of any electric system and the supplying of electric energy and associated services to the public, including without limitation the generation, purchase, sale, and resale of electric energy and the purchase, use, and consumption thereof by ultimate consumers.

(2) It shall be the duty of each board, on or before April 29, 1970, and on or before March 31 of each succeeding tax year, to certify to the department of revenue the book value of property owned by the board and the adjusted book value of property owned by the board and located within the state and within each taxing jurisdiction in which the board operates. A copy of such certification shall also be sent by the board to each such taxing jurisdiction. Said book value of property and adjusted book value of property shall be determined, and the books and records of the board shall be kept in accordance with standard accounting practices, and the books and records of each board shall be subject to inspection by the department of revenue and by representatives of the affected taxing jurisdictions and to adjustment by the department of revenue if found not to comply with the provisions of this sentence. Upon the receipt of the required certification from a board, the department of revenue shall make such inspection and adjustment, hereinabove authorized, as it deems necessary, and no earlier than September 1 of each year the department of revenue shall certify to the board and to the county clerk of each county in which the board operates the book value of property owned by the board and the adjusted book value of property owned by the board, located within each taxing jurisdiction in which the board operates and within the state. At the same time, the department of revenue shall certify to the board and to the said county clerk the adjustment factor for the tax year. The said county clerk shall promptly certify the book value of property, the adjusted book value of property, and the adjustment factor certified by the department of revenue, to the respective taxing jurisdiction in which the board operates.

(3) (a) Each board shall pay for each tax year, beginning with the tax year 1970, to the state and to each taxing jurisdiction in which the board operates, a tax equivalent from the revenues derived from the board's electric operations for that tax year, computed according to this subsection.

(b) The tax equivalent for each tax year payable to the state shall be the total of:

1. The book value of the *real estate* [~~property~~] owned by the board within the state, multiplied by the adjustment factor, multiplied by the current *real estate* tax rate of the state, *multiplied by the fraction of 1.5/31.5* [~~less thirty cents ($.30)~~], plus

2. *The book value of tangible personalty owned by the board within the state, multiplied by the adjustment factors, multiplied by the current tangible rate of the state multiplied by the fraction of 15/35.*

3. The state's portion of the amount payable under paragraph (d) of this subsection.

(c) The tax equivalent for each tax year payable to each taxing jurisdiction in which the board operates shall be the total of:

1. The adjusted book value of *real* property owned by the board within the taxing jurisdiction, multiplied by the adjustment factor, multiplied by the current *real estate* tax rate of the taxing jurisdiction; provided, however, for the purpose of this calculation the tax rate for school districts shall be increased by *the current real estate rate of the state multiplied by the fraction of 30/31.5* [~~thirty cents ($.30)~~], plus

2. *The adjusted book value of tangible property owned by the board within the taxing jurisdiction, multiplied by the adjustment factor, multiplied by the current tangible tax rate of the taxing jurisdiction, provided, however, for the purpose of this calculation the tax rate for school districts shall be increased by the current tangible rate of the state multiplied by the fraction of 30/45, plus*

3. The taxing jurisdiction's portion of the amount payable under paragraph (d) of this subsection.

(d) For purposes of this subsection, "amount payable" shall mean four-tenths of one per cent (.4%) of the book value of property owned by the board located within the state. The state shall be paid the same proportion of the amount payable as the payment to the state under subparagraph 1 of paragraph (b) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Each taxing jurisdiction in which the board operates shall be paid the same proportion of the amount payable as the payment to the taxing jurisdiction under subparagraph 1 of paragraph (c) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Under such regulations as the department of revenue may prescribe, upon the board's receipt from the state and taxing jurisdictions of notice of the amount due under subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection, the board shall compute the portion of the amount payable which is due the state and each taxing jurisdiction in which the board operates.

(e) Payment of the tax equivalent under this section for each tax year shall be made by each board to the state within thirty (30) days after receipt by the board of the certification from the department of revenue required by subsection (2) of this section and shall be made directly to each taxing jurisdiction in which the board operates within thirty (30) days from the date of the certifications by the county clerk required by subsection (2) of this section. The state and each taxing jurisdiction in which a board operates shall have a superior lien upon the proceeds of the sale of electric energy by that board for the amounts required by this section to be paid to it.

(4) Except as hereinafter provided the tax equivalents computed under this section shall be in lieu of all state, municipal, county, school district, special taxing district, other taxing district, and other state and local taxes or charges on the tangible and intangible property, the income, franchises, rights, and resources of every kind and description of any municipal electric system operating under KRS 96.550 to 96.900 and on the electric operations of any board established pursuant thereto, and the tax equivalent for any tax year computed and payable under this section to the state or to any taxing jurisdiction in which any board operates shall be reduced by the aggregate amount of any tax or charge within the meaning of this sentence which is imposed by the state, or by any taxing jurisdiction in which a board operates, on the board, the electric system, or the board's electric operations. Provided, however, that if any school district in which property of a board is located has elected, or does hereafter elect, to apply the utility gross receipts license tax for schools to all utility services as provided by KRS 160.613 through KRS 160.617, or as may hereafter be provided by other statutes, the amount of such utility gross receipts license tax shall not reduce, or in any manner affect, the amount payable to any such board or boards under the provisions of this section. It is the intent and purpose of this provision to eliminate all sums received by any such board or boards by reason of the utility gross receipts license tax from any computation of the amount payable under this section to any such board or boards, irrespective of the manner in which such payment is computed, so that, in no event, shall any sum received by any school district by reason of the utility gross receipts license tax reduce, directly or indirectly, the amount payable to such district under this chapter. Provided, further, that if the state shall levy a statewide retail sales or use tax on electric power or energy, collected by retailers of such energy from the vendees or users thereof, and imposed at the same rate or rates as are generally applicable to the sale or use of personal property or services, including natural or artificial gas, fuel oil, and coal as well as electric power or energy, such retail sales or use tax shall not be deemed to be a tax or charge within the meaning of the first sentence of this subsection, and the tax equivalent payable for the tax year to the state under this section shall not be reduced on account of such retail sales or use tax.

(5) (a) Notwithstanding subsection (3) of this section, until the first tax year in which the total of:

1. The tax equivalent payable to the state, or to any taxing jurisdiction in which the board operates, computed under subsection (3) of this section, plus

2. The additional amounts permitted to be paid to the state or taxing jurisdiction without deduction under the second and third sentences of subsection (4) of this section, exceeds the minimum payment to the state or taxing jurisdiction specified in paragraph (b) of this subsection, the tax equivalent for each tax year payable to the state or taxing jurisdiction shall be an amount equal to the minimum payment computed under paragraph (b) of this subsection.

(b) For purposes of this subsection, the minimum payment to the state or to any taxing jurisdiction in which the board operates shall mean an amount equal to the total of:

1. The largest actual payment made by the board pursuant to KRS 96.820 to the state or to the taxing jurisdiction for any of the tax years 1964, 1965, or 1966, plus

2. The state's or taxing jurisdiction's pro rata share of an amount equal to four-tenths of one per cent (.4%) of the increase since July 1, 1964, in the book value of property owned by the board within the state. For the purposes of this paragraph "pro rata share" shall mean the same proportion of the amount computed under subparagraph 2. of this paragraph as the largest actual payment in lieu of taxes made by the board to the state or taxing jurisdiction for the applicable tax year under subparagraph 1. of this paragraph represents of the total amount of the largest actual payments in lieu of taxes made by the board to the state and to all taxing jurisdictions in which it operated for any of such applicable tax years.

(c) The provisions of paragraph (e) of subsection (3) of this section shall apply to all payments required under this subsection.

(d) This subsection shall not be applicable for the first tax year specified in paragraph (a) of this subsection or for any tax year thereafter, except however, that tax year 1977 shall not be deemed as the "first tax year" as specified in paragraph (a) and this subsection shall continue to apply in such cases.

(6) The general assembly hereby recognizes that a dispute has arisen concerning the validity, terms, and effects of the amendments to KRS 96.820 in the 1968 regular session of the general assembly and that this dispute has resulted in litigation concerning tax equivalents due for the tax years 1968 and 1969.

(7) The general assembly hereby declares its intention that any taxing jurisdiction and any board, whether or not a party to such litigation, may enter into a binding compromise settlement agreement under which the board may pay and the taxing jurisdiction may accept in full discharge of the board's tax equivalent payment obligations for each of the tax years 1968 and 1969 such amount as they may agree upon, not less than the payment made by the board to the taxing jurisdiction for the tax year 1965, and not more than 120 per cent of the largest payment made by the board to the taxing jurisdiction for any one (1) of the tax years 1964, 1965, or 1966. All amounts heretofore paid for the tax years 1968 and 1969 by the respective boards shall be credited against and deducted from the amounts payable under any such agreements.

Section 2. KRS 131.340 is amended to read as follows:

(1) The Kentucky board of tax appeals is hereby vested with exclusive jurisdiction to hear and determine appeals from final rulings, orders and determinations of any agency of state or county government affecting revenue and taxation.

(2) Any party, including the attorney general, on behalf of the commonwealth, aggrieved by any ruling, order or determination of any state or county agency charged with the administration of any taxing or licensing measure, may prosecute an appeal to the board by filing a complaint or petition of appeal before the board within thirty (30) days from the receipt by such aggrieved party of the agency's ruling, order, or determination.

(3) In the event the department of revenue is aggrieved by the decision of any [~~county~~] board of *assessment appeals* [~~supervisors~~] on an assessment recommended by the department and prosecutes an appeal to the Kentucky board of tax appeals as authorized herein, the commissioner of revenue shall, within twenty (20) days, certify in writing to the Kentucky board of tax appeals the assessment recommended.

(4) The Kentucky board of tax appeals shall immediately forward copies of the certification to the parties to the appeal. Such assessed value shall be prima facie evidence of the value at which the property should be assessed.

Section 3. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Department" means the department of revenue.

(2) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(3) "Real property" includes all lands within this state and improvements thereon.

(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference in the total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation

exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and the total valuation of property subject to taxation by the county, city, school district or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
10 to 30	$1,000+	$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	$2,200+	$40.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$3,400+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$4,400+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$5,900+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income +	Income Per Acre
5 to 30	$1,000 minimum, or	$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.

Acres	Annual Gross Income +	Income Per Acre
30 to 60	$3,000+	$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	$4,500+	$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	$5,500+	$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	$7,000+	$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;

(b) Degree of productivity of the soil;

(c) Risk of flooding;

(d) Improvements to and on the land that relate to the production of income;

(e) Row crop capability including allotted crops;

(f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) "Fair cash value" means the estimated price which property would bring in a fair voluntary sale, with a willing buyer and a willing seller, neither under compulsion, both fully informed and with a reasonable time in which to consummate the transaction.

(17) "Manufacturing process" means a process whereby material having no commercial value for its intended use before processing has appreciable commercial value for its intended use after processing by machinery.

(18) "Contiguous property" means property which is either adjacent, in actual close contact, touching, adjoining, neighboring, lying adjoining, touching sides, or touching along a considerable line.

Section 4. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-½¢) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-½¢) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operations,

one-tenth of one cent ($.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowls, fifteen cents (15¢) upon machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, one-tenth of one cent ($.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, and forty-five cents (45¢) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1 ½¢) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state.

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto.

(c) Shares of capital stock, [~~of any affiliated company as defined in subsection (3) of this section and~~] notes, bonds, accounts receivable and all other intercompany intangible personal property *between a parent and its subsidiary corporation* [~~due from such company~~].

(3) *A parent corporation for the purpose of this section is any corporation owning or controlling, either directly or indirectly, more than fifty percent (50%) of the voting stock of another corporation. A subsidiary corporation for the purpose of this section is (a) any corporation whose parent owns or controls, either directly or indirectly, more than fifty percent (50%) of its voting stock, or (b)* [~~"Affiliated company" shall mean a parent corporation or subsidiary corporation, and~~] any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten per cent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars of assessed value.

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31 ½¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(8) By July *15* [~~1~~] each year, the department of revenue shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020*(7)*[~~(6)~~] and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been *approved* [~~certified~~] by July *15*[~~1~~], the department shall, when real property assessments of at least seventy-five percent (75%) of the total number of *property valuation administrators' recapitulations have been filed with the department and approved in accordance with KRS 133.040* [~~counties of the Commonwealth have been certified~~], make an estimate of the real property assessments of the *remaining* uncertified counties and compute the state tax rate.

(9) In the event that the tax rate set by the department as provided in subsection (8) of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

(10) An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calender Year	Rate per $100 of Assessed Value
1982	$.225
1983	$.1125
1984 and after	$.001

Section 5. KRS 132.290 is amended to read as follows:

(1) Any property which has not been listed for taxation, for any year in which it is taxable, by the time the board of *assessment appeals* [~~supervisors~~] completes its work for that year shall be deemed omitted property.

(2) All omitted property shall be assessed retroactively in the manner provided by law at any time within five (5) years from the date when it became omitted, but the lien thereby accruing on any such property, except real property, shall not prejudice the rights of bona fide purchasers acquired in the meantime.

(3) All omitted property voluntarily listed shall be subject to a penalty of ten per cent (10%) of the amount of taxes, and interest at [~~one-half of~~] one per cent *(1%)* [~~(.5%)~~] per month or fraction thereof from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is prepared in accordance with KRS 133.230.

(4) All omitted property not voluntarily listed shall be subject to a penalty of twenty per cent (20%) of the amount of taxes, and interest at [~~one-half of~~] one per cent *(1%)* [~~(.5%)~~] per month or fraction thereof from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is prepared in accordance with KRS 133.230.

(5) When the property is assessed retroactively by action prosecuted in the manner provided by KRS 132.330 and 132.340, an additional penalty of twenty per cent (20%) of the amount of the original tax, interest and penalty shall be collected for the purpose provided in KRS 134.400 and paid into the state treasury. All other penalties and interest shall be distributed in the same manner as the tax.

Section 6. KRS 132.454 is amended to read as follows:

(1) When land which is valued and taxed as agricultural or horticultural land under paragraph (g) of subsection (2) of KRS 132.450 is converted to any other use, that portion of the land upon which the use is changed shall be subject to deferred taxes for the current tax year and the immediately preceding two (2) tax years. *Each property valuation administrator shall provide the county clerk annually with a list of all land valued as agricultural or horticultural land so that land subject to deferred taxes may be properly identified and taxed upon change of ownership or use*[~~; except that land assessed according to its value for agricultural or horticultural purposes on which the use is changed in 1971 shall be subject to such taxes for 1971; and land on which the use is changed in 1972 shall be subject to such taxes for 1971 and 1972, such taxes to become a lien on the property~~].

(2) When land becomes subject to the deferred taxes provided for in subsection (1) of this section, the property valuation administrator or other assessing official shall certify the difference in value subject to deferred tax for each of the years for which deferred taxes are due to the county clerk or other person responsible for preparation of tax bills who shall prepare a supplemental tax bill for each year computed at the rates applicable for the year for delivery to the sheriff or tax collector for collection. Such bills shall be due and payable within thirty (30) days after the date of issue. If unpaid within thirty (30) days, a penalty of *ten* [~~6~~] per cent *(10%)* shall be added to these bills.

(3) The provisions of KRS chapters 134 and 135 relating to the collection of delinquent taxes on real property shall apply to collection of the deferred taxes provided herein.

Section 7. KRS 132.730 is amended to read as follows:

All *aircraft, vessels and* housetrailers which are within this state on January 1 each year shall be subject to all ad valorem tax levies applicable to other tangible personal property subject to full state and local rates, except that any housetrailer not licensed in this state and not remaining within this state for a period of more than ninety (90) days in any twelve (12) month period shall not have a taxable situs in this state unless an occupant is employed in this state.

Section 8. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene at the county seat on the second Monday in June in each year; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the department of revenue as provided by KRS 132.690 *and 132.660 (2)* or by the department itself as provided by KRS 133.150 *or 132.660 (1)*. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to a review of the appeals filed with the county clerk as clerk of the board, *and* [~~including~~] a review of *the fair cash value assessments of the properties owned by the property valuation administrator and deputy property valuation administrator, and a review of* recent sales of comparable properties provided in accordance with the provisions of subsection

(1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such *on site* inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day if there are no appeals to be heard nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the department of revenue upon request of the county judge/executive. *In counties containing first and second class cities,* [~~Each~~] board *members* [~~member~~] shall be paid not less than [~~ten (10) nor more than~~] twenty-five dollars ($25) for each day *served nor more than fifty dollars ($50.00) and all other counties shall pay board members not less than fifteen dollars ($15) nor more than thirty dollars ($30.00) for each day served. If the fiscal court of any county decides to pay an amount above the maximums established in this subsection, the state shall be liable for only one-half (½) of the fifty dollar ($50.00) maximum for counties containing cities of the first and second class and one-half (½) of the thirty dollar ($30) maximum in all other counties.* [~~he serves,~~] The *annual* amount *is* to be fixed by order of the fiscal court [~~annually~~] prior to May 1. This compensation shall be paid one-half (½) out of the county *funds* [~~levy~~] and the other half out of the state treasury.

(4) Members of temporary panels of the board shall serve at the pleasure of the county judge/executive, provided however, that their appointment shall be limited to the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the department of revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 9. KRS 133.040 is amended to read as follows:

(1) *On or before the first Monday in April the property valuation administrator shall complete and submit to the department of revenue, on forms provided by the department, a recapitulation of all real property assessed in the county. Such recapitulation shall show the assessment of real property by classification of real property and by taxing district. Within thirty (30) calendar days after receiving the recapitulation, the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the real property assessment.*

(2) The property valuation administrator shall complete the tax roll of all property in his county before the first Monday in May of each year in accordance with law, and on or before that date he shall file with the department of revenue, on *forms* [~~blanks~~] to be forwarded by the department, a recapitulation of all property assessed on said tax roll with his official certificate attached thereto *signifying that all property has been assessed at fair cash value.* Such recapitulation shall show the *fair cash value* assessment of property by types of property and by taxing districts. [~~The property valuation administrator shall file with the department of revenue at the same time the schedules containing a list of the intangible personal property. Within thirty (30) calendar days after receiving the recapitulation the department of revenue shall direct the property valuation administrator to make any changes that are necessary to correct the assessment. The department of revenue shall preserve all recapitulations and schedules or a photographic facsimile thereof for a period of seven (7) years from the assessment date.~~]

(3)[~~(2)~~] At the time the property valuation administrator submits his *fair cash value* [~~property~~] recapitulations to the department he shall submit a copy of the recapitulations to the county judge/executive in *his* [~~each~~] county, the treasurer or chief officer of each special district in the county, the chief administrative officer of the urban county and the superintendent of each local school district in his county.

(4) The property valuation administrator shall file with the department of revenue at the same time he submits the recapitulation a list of the intangible personal property assessed in his county.

(5) After receiving the fair cash value recapitulation, the department of revenue shall direct the property valuation administrator to make any changes that are necessary to have the assessment certifiable. The department of revenue shall preserve all recapitulations and schedules or a photographic facsimile thereof for a period of seven (7) years from the assessment date.

Section 10. KRS 133.110 is amended to read as follows:

County judges/executive may, after giving notice to the *owner of the property* [~~county attorney~~], sheriff and property valuation administrator, correct any mere clerical errors in an assessment or any duplication of assessment. Any correction made without such notice shall be void.

Section 11. KRS 133.250 is amended to read as follows:

(1) The department of revenue shall conduct *assessment-sales* [~~sales-assessment~~] ratio studies for each county and shall submit such a ratio to each property valuation administrator by *December* [~~September~~] 1 of each year or within thirty (30) days of submission of the *county clerk's* [~~property valuation administrator's~~] final recapitulation to the department as provided for in KRS 133.125, whichever date is *later* [~~earlier~~].

(2) The property valuation administrator shall begin revaluation of property in his county, in preparation for the following year's property assessment, immediately *after the department has received and approved the property valuation administrator's recapitulation submitted as provided in KRS 133.040* [~~following submission of the final recapitulation to the department of revenue as provided for in KRS 133.125~~].

(3) By January 30 of each year, the department of revenue shall cause to be published in the newspaper of largest circulation in each county, a listing of the percentage of fair cash value attainment of real property assessments as calculated by *assessment-sales* [~~sales-assessment~~] ratio studies which shall be conducted by the department of revenue.

Section 12. KRS 134.390 is amended to read as follows:

A tax bill rendered against omitted property required to be listed with the property valuation administrator or the department of revenue or against an increase in valuation over that claimed by the taxpayer, as finally determined upon appeal as provided for in KRS 133.120, shall become due on the day the bill is prepared, and shall be considered delinquent and subject to a penalty of *twelve percent (12%)* [~~six per cent (6%)~~] of the tax, penalty and interest due, unless paid within thirty (30) days after it becomes due, except as otherwise provided by law. All provisions of law of the particular taxing district having an interest therein relating to delinquent taxes on the same class of property or taxpayers involved shall apply to the delinquent omitted tax bill unless otherwise provided by law.

Section 13. KRS 134.460 is amended to read as follows:

(1) Certificates of delinquency shall bear interest from the date of issuance until collected at the rate of *fifteen per cent (15%)* [~~twelve per cent (12%)~~] per annum.

(2) Certificates of delinquency shall be prima facie evidence that:

(a) The property represented by the certificate was subject to taxes levied thereon, and was assessed as required by law.

(b) The tax bill was valid and correct in all respects.

(c) The taxes were not paid at any time before the issuance of the certificate.

Section 14. KRS 136.120 is amended to read as follows:

(1) Every railway company, sleeping car company, chair car company, dining car company, gas company, water company, ferry company, bridge company, street railway company, interurban electric railroad company, express company, electric light company, electric power company, telephone company, telegraph company, bus line company, regular route common carrier trucking company, *commercial air carrier, air freight carrier* [~~air transport company~~], pipeline company, common carrier water transportation company, *privately owned sewer company, cable television company,* and every other like company or business performing any public service shall annually pay a tax on its operating property to the state and to the extent such property is liable to taxation shall pay a local tax thereon to the county, incorporated city, and taxing district in which its operating property is located.

(2) The property of such taxpayers shall be classified as operating property, nonoperating tangible property, and nonoperating intangible property. Nonoperating intangible property within the taxing jurisdiction of the commonwealth shall be taxable for state purposes only at the same rate as the intangible property of other taxpayers not performing public services, and operating property and nonoperating tangible property shall be subject to state and local taxes at the same rate as the tangible property of other taxpayers not performing public services.

(3) The department of revenue shall have sole power to value and assess all of the property of every corporation, company, association, partnership, or person performing any public service, including those enumerated above and all others to whom this section may apply, whether or not such operating property, nonoperating tangible property, or nonoperating intangible property has heretofore been assessed by said department, and shall, except as provided in subsection (4) of this section, allocate such assessment as provided by KRS 136.170, and shall certify operating property liable to local taxation and nonoperating tangible property to the counties, cities, and taxing districts as provided in KRS 136.180. All of the property assessed by the department pursuant to this section shall be assessed as of December 31 each year for the following year's taxes, and the lien therefor shall attach as of such assessment date. Provided, however, that in the case of a taxpayer whose business is predominantly nonpublic service and the public service business in which he is engaged is merely incidental to his principal business, the department shall in the exercise of its judgment and discretion determine, from evidence which it may have or obtain, what portion of the operating property is devoted to the public service business subject to assessment by the department under this section and shall require the remainder of the property not so engaged to be assessed by the local taxing authorities.

(4)(a) The department of revenue shall likewise have sole power to value and assess all the property within the taxing jurisdiction of this commonwealth of every *passenger, sleeping, freight, and private car company which is hereby defined as any company, other than a railroad company, which owns, uses, furnishes, leases, rents, or operates to, from, through, in or across this state or any part thereof, any kind of railroad car including, but not necessarily limited to, flat, tank, refrigerator, passenger, or similar type car,* [~~refrigerator car company, tank car company, coal car company, every like car company,~~] and every irregular route common carrier truck company. Any other statute to the contrary notwithstanding, the department of revenue shall, in determining the proportion of the value of the rolling stock of every irregular route common carrier truck company, apportion the value of such property within the taxing jurisdiction of Kentucky according to the truck mileage performed in Kentucky by such irregular route common carrier. The department shall not certify the assessment of the rolling stock of such companies to any county, city, or taxing district, but shall apportion and certify the operating property, other than rolling stock, to the counties, cities, and taxing districts where such property is located. *On or before November 1, 1982, and each year thereafter, the department of revenue shall establish the state tax rate for rolling stock of private car lines and irregular route common carriers based on average tax rate for tangible property within the commonwealth subject to state, county, school and applicable city levy.* The rolling stock of such companies shall be taxable for state purposes only [~~at the rate of one dollar ($1.00) upon each one hundred dollars ($100) of value,~~] and shall not be subject to taxation by a county, city, or other taxing district.

(b) The property of taxpayers within the meaning of paragraph (a) of this subsection shall likewise be classified as operating property, nonoperating tangible property, and nonoperating intangible property. The nonoperating intangible property of the companies within the meaning of this subsection which are within the taxing jurisdiction of the commonwealth shall be taxable for state purposes at the same rate as the intangible property of nonpublic service taxpayers.

Section 15. KRS 136.300 is amended to read as follows:

(1) By July 1 succeeding the filing of the report provided for in KRS 136.290, each domestic savings and loan association, bank for cooperatives, and each production credit association shall pay directly into the state treasury a tax of one dollar ($1.00) for each one thousand dollars ($1,000) paid in on its capital stock as fixed in KRS 136.290. The individual shareholders shall not be required to list their shares for taxation for any purpose. The association or bank for cooperatives shall not be required to pay local taxes upon its capital stock, surplus, undivided profits, notes, mortgages or other credits, and the tax provided by this section shall be in lieu of all taxes for state purposes *upon the intangible personal property* [~~on property~~] of the association or bank for cooperatives. Failure to make reports and pay taxes as provided in this section and in KRS 136.290 shall subject the association or bank for cooperatives to the same penalties imposed for such failure on the part of the other corporations.

(2) If a domestic savings and loan association, bank for cooperatives, or production credit association so elects, it may deduct the taxes imposed in subsection (1) of this section from the dividends paid or credited to a nonborrowing shareholder.

Committee Amendment No. 1 to **HB 534** is as follows:

Amend printed copy of **HB 534,** page 6, line 7 by removing the fraction, "15/35", and inserting in lieu thereof the fraction, 15/45;

on page 22, lines 1-26, by deleting lines 1-26 in their entirety;

on page 23, lines 1-26, by deleting lines 1-26 in their entirety;

on page 24, lines 1-26, by deleting lines 1-26 in their entirety;

on page 25, lines 1-26, by deleting lines 1-26 in their entirety;

on page 26, lines 1-26, by deleting lines 1-26 in their entirety;

on page 27, lines 1-9, by deleting lines 1-9 in their entirety;

on line 10, by renumbering "Section 5" to read Section 4;

on page 28, line 19, by renumbering "Section 6" to read Section 5;

on page 30, line 3, by renumbering "Section 7" to read Section 6;

on line 14, by renumbering "Section 8" to read Section 7;

On page 32, lines 22-26, by deleting lines 22-26 in their entirety;

on page 33, lines 1-26, by deleting lines 1-26 in their entirety;

on page 34, lines 1-22, by deleting lines 1-22 in their entirety;

on line 23, by renumbering "Section 10" to read Section 8;

on page 35, lines 5-26, by deleting lines 5-26 in their entirety;

on page 36, lines 1-3, by deleting lines 1-3 in their entirety;

on line 4, by renumbering "Section 12" to read Section 9;

on line 21, by renumbering "Section 13" to read Section 10;

on line 24, by inserting before the word, "rate", the following: *tax interest*, and by inserting after the word "rate", the following: *as defined in KRS 131.030(6)*, and by placing a bracket before and after the word, "of" and by striking through the word "of";

on line 25, by deleting the language, *fifteen percent (15%)*" and by placing a bracket after the word "annum" and striking through the words, "per annum";

on page 40, line 12, by deleting the following: "*On or before November 1, 1982, and*";

on lines 13-17, by deleting lines 13-17 in their entirety;

on line 18, by deleting "*city levy.*";

on line 19, by removing the bracket before the word, "at" and the strikethroughs that appeared on line 19;

on line 20, by removing the strike-throughs that appear on line 20;

on line 21, by removing the strike-throughs that appear on line 21, and by removing the bracket after the word, "value,".

The Committee on State Government reported **HB 487,** with Committee Substitute and Committee Amendment attached thereto, with the expression that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 487, AN ACT relating to state investments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.380 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor, the state treasurer, *the lieutenant governor, the president pro tempore of the senate or his designee, and the speaker of the house of representatives or his designee. The state treasurer shall serve as chairman of the commission.* [~~the secretary of the development cabinet and the secretary of the department of finance. The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.~~]

(2) The commission shall*:*

(a) Meet at least once every two (2) months;

(b) Study the investment needs of the state considering:

1. The sources of surplus funds;

2. The amounts of surplus funds;

3. The excess cash available;

4. The duration times of availability of excess cash and surplus funds;

(c) Advise, recommend, and report to the treasurer as to the general types of legal investments appropriate to the needs of the state considering:

1. The financial return on investment alternatives;

2. The financial safety of investment alternatives;

3. The impact of investment alternatives on the economy of the state;

(d) Continue to review the status of investments;

(e) Report the findings of its meetings to the treasurer;

(f) Publish an annual report to the governor and the general assembly including its findings, recommendations, and conclusions;

(3) The department of the treasury shall provide staff for the commission.
[~~also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.~~

~~(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.~~

~~(4) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.~~]

SECTION 2. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The state treasurer shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States, or in obligations of United States government agencies or in obligations of the Commonwealth of Kentucky or in certificates of deposit. All such investments must be obligations which mature within five (5) years from the date of investment.

(2) The state treasurer shall have authority to and may invest any excess cash of the state in direct obligations of the United States, obligations of United States government agencies, repurchase agreements of United States government securities, obligations of the Commonwealth of Kentucky and certificates of deposit. All such investments must be obligations which mature within one (1) year from the date of investment.

(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when the donor shall have designated the use to which the interest shall be placed.

(4) The office of debt management shall give to the state treasurer, immediately upon the state treasurer's request, information clearly delineating the source and amount of surplus funds and excess cash available for investment along with the time periods for which such surplus funds and excess cash are available for investment, and the state treasurer may rely on that information for investment purposes. The state treasurer shall keep the office of debt management informed of all investments made.

(5) The state treasurer shall report to the state investment commission the status of state investments, and the report shall indicate the money earned through investment of state monies along with any other matters the state treasurer may wish to report.

(6) The authority granted by this section to the state treasurer shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government. The authority for investment granted by this section to the state treasurer is limited to those investments permitted by this section.

(7) The objectives of any investments made by the state treasurer under the authority granted in this section shall be to manage the state's surplus funds and excess cash with maximum efficiency and to earn an optimum rate of return on collateralized investments.

Section 3. KRS 42.400 is amended to read as follows:

There is established within the department of finance an office for [~~investment and~~] debt management, which shall be headed by an executive director responsible to the secretary of finance, and appointed by the secretary upon approval of the governor.

Section 4. KRS 42.410 is amended to read as follows:

The office for [~~investment and~~] debt management established in KRS 42.400 shall, subject to the provisions of KRS 41.020 to 41.390, have and perform functions and duties as follows:

(1) The analysis and management of short and long-term cash flow requirements.

(2) [~~The maximization of the return on state investments given the cash flow and liquidity requirements.~~

~~(3)~~] The coordination and monitoring of cash needs relative to [~~investment and~~] debt activity.

(3)[~~(4)~~] The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(4)[~~(5)~~] The evaluation of revenue projections relative to proposed revenue bond issues.

(5)[~~(6)~~] The responsibility for liaison with the general assembly on all [~~investment and~~] debt matters, including, but not limited to, new bond issues, *and* the status of state debt[~~, and the status of state investments~~].

(6)[~~(7)~~] All other functions of the department relative to state [~~investment and~~] debt management including, but not limited to, the making of debt service payments, the sale of bonds, and staff assistance to the state property and buildings commission [~~and the state investment commission~~].

Section 5. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in *Section 2 of this Act* [~~KRS 41.380~~] until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding *Section 2 of this Act* [~~KRS 41.380(3)~~], interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

Section 6. KRS 164.892 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of three hundred fifty thousand dollars ($350,000) in the manner and within the time specified in subsection (3) of this section.

(2) Upon receipt of the initial payment of eighty-seven thousand five hundred dollars ($87,500), the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Louisville" and there shall be credited to said fund the initial payment of eighty-seven thousand five hundred dollars ($87,500), all income thereafter earned from the investment of said fund and all contributions thereafter made by the university to said fund. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 2 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The university shall make an initial payment of eighty-seven thousand five hundred dollars ($87,500) upon action by its board of trustees as described in KRS 164.895. Annual payments of eighty-seven thousand five hundred dollars ($87,500) shall be made thereafter until the university has paid a total of three hundred fifty thousand dollars ($350,000) into the "basic coverage compensation fund, University of Louisville," except that when the university commences the operation of a teaching hospital, the difference between the total of all annual payments made into the basic coverage compensation fund and the sum of three hundred fifty thousand dollars ($350,000) shall become due and payable.

(4) The funds held in any fund created under KRS 164.890 to 164.895 shall be expended solely in payment of claims and judgments for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1976 and which may occur in the future and which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(5) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth then such payment must also be approved by the secretary, or his delegate.

(6) Funds held in any account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(7) In addition to the payments to said fund required to be made in subsection (3) above, annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims

for the five (5) years next preceding the making of the annual contribution. Provided, however, that if the university and the secretary shall at any time in the future mutually determine, based on sound actuarial principles, that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one (1) year, then an annual contribution in such lesser amount as may be determined may be made.

(8) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses, and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(9) Claims and judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created by contribution from the university shall at any time fail to have sufficient funds to pay all such judgments, then they shall be paid out of the excess coverage fund upon certification by the secretary. Said excess coverage fund shall be expended only upon exhaustion of the basic coverage compensation fund and any liability insurance from any source whatsoever.

Section 7. KRS 164.941 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of $350,000.

(2) Upon receipt of said payment of $350,000 the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Kentucky" and there shall be credited to said fund the initial payment of $350,000, all income thereafter earned from the investment of said fund, and all contributions thereafter made by the university. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 2 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The funds held in any fund created under KRS 164.939 to 164.944 shall be expended solely in payment of claims for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1975 and which may occur in the future which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(4) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth under the provisions of subsection (8) of this section then any payment from said fund must also be approved by the secretary, or his delegate.

(5) Funds held in an account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(6) Annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. In the event the university terminates its commercial excess insurance coverage then said annual contributions shall be in the amount of $250,000 with the first contribution being due and payable within twelve (12) months next following the month in which such insurance is terminated. Provided, however, that if the university and the secretary shall at any time in the future, based upon accepted actuarial principles, mutually determine that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one year, then an annual contribution in such lesser amount as may be determined may be made.

(7) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(8) Claims or judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created hereunder shall at any time fail to have

sufficient funds to pay all judgments, then they shall be paid out of the excess coverage fund upon certification of the obligation by the secretary and the university. Said excess fund shall be expended only upon exhaustion of the basic coverage compensation fund and any insurance from any source whatsoever.

Committee Substitute to **HB 487** is as follows:

HB 487, AN ACT relating to state investments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.380 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor, *or his designee,* the state treasurer, *the lieutenant governor, one (1) person appointed by the the president pro tempore of the senate, and one (1) person appointed by the speaker of the house of representatives. The governor shall serve as chairman of the commission and, in the governor's absence, the state treasurer shall serve as chairman. The treasurer shall serve as chief investment officer of the commission. The state treasurer's office shall provide staff support services to the commission. The commission shall meet at least once a month.* [~~the secretary of the development cabinet and the secretary of the department of finance.~~] The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky *or in obligations of United States government agencies or in certificates of deposit.* All such investments shall be obligations that will mature within five (5) years from the date of investment.

(2) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in*:*

(a) Obligations backed by the full faith and credit of the United States or a U.S. government agency, including but not limited to:

1. U.S. Treasury;
2. Export-import bank of the United States;
3. Farmers home administration;
4. Governmental national mortgage corporation;

(b) Obligations of any corporation of the U.S. Government, including but not limited to:

1. Federal home loan mortgage corporation;
2. Federal farm credit banks;
a. Bank for cooperatives;
b. Federal intermediate credit banks;
c. Federal land banks;
3. Federal home loan banks;
4. Federal national mortgage association;
5. Tennessee Valley Authority;

(c) Collateralized certificates of deposit or other interest-bearing accounts in depository institutions chartered by this state or by the United States.

All such investments must be obligations [~~United States treasury bills or certificates of indebtedness or any other United States government security~~] which [~~will~~] mature within one (1) year from the date of investment.

(3) Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(4) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government. *The authority for investment granted by this section to the state investment commission is limited to those investments permitted by this section.*

(5) The objectives of any investments made by the state investment commission under the authority granted in this section shall be to manage the state's surplus funds and excess cash with maximum efficiency and to earn an optimum rate of return on collateralized investments.

(6) The office of debt management shall give to the state treasurer, as chief investment officer of the state investment commission, immediately upon the state treasurer's request, information clearly delineating the source and amount of surplus funds and excess cash available for investment along with the time periods for which such surplus funds and excess cash are available for investment, and the state investment commission may rely on that information for investment purposes. The state treasurer shall keep the office of debt management informed of all investments made.

(7) The state investment commission shall render monthly written reports concerning the performance of each investment to the legislative research commission. The reports may contain recommendations of the state investment commission for legislative or other action to effectuate the purposes and policies of this chapter.

(8) The state investment commission may adopt regulations for the investment and reinvestment of state surplus funds and excess cash and the acquisition, retention, management, and disposition of investments.

Section 2. KRS 41.240 is amended to read as follows:

(1) Before any bank shall be named as a state depository to receive public funds, it shall pledge to the state treasurer, as collateral, securities having a face value at least ten per cent (10%) in excess of the deposits and having a current quoted market value at least equal to the deposits, provided, however, that amounts insured by the Federal Deposit Insurance Corporation need not be collateralized. The president or cashier of each depository bank shall submit to the treasurer a statement subscribed and sworn to by him showing the current quoted market value of the securities pledged as of the time the securities are offered as collateral. *The market valuation of all pledged collateral shall be reported to the state treasurer upon receipt of deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31. Such quotes shall be as of the end of the quarter or the preceding business day and shall be obtained from a reputable bond pricing service.* The state treasurer and governor may from time to time call for additional collateral to adequately secure the deposits as current market values may require.

(2) Only the following securities may be accepted by the State Treasurer as collateral under this section:

(a) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof, and any bonds, notes, debentures or any other obligations or securities issued or guaranteed by any federal governmental agency, presently or in the future established by an Act of Congress, as amended or supplemented from time to time;

(b) Obligations of the Commonwealth of Kentucky including revenue bonds issued by its statutory authorities, commissions or agencies;

(c) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to 162.380;

(d) Obligations of any city of the first, second, and third classes of the Commonwealth of Kentucky, or any county, for the payment of principal and interest on which the full faith and credit of the issuing body is pledged;

(e) School improvement bonds issued in accordance with the authority granted under KRS 162.080 to 162.100; and

(f) School building revenue bonds issued in accordance with the authority granted under KRS 162.120 to 162.300, provided that the issuance of such bonds is approved by the state board for elementary and secondary education.

SECTION 3. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

Time deposits in Kentucky depositories issued pursuant to this chapter shall bear interest at a rate which would be equal to one hundred percent (100%) of the average regional interest rate which shall be the average of five (5) rates quoted by banks in Kentucky and any contiguous state. Those rates shall be recorded by the state treasurer.

Section 4. KRS 41.070 is amended to read as follows:

(1) Unless otherwise expressly provided by law, no receipts from any source of state money or money for which the state is responsible shall be held, used or deposited in any personal or special bank account, temporarily or otherwise, by any agent or employe of any budget unit, to meet expenditures or for any other purpose. All receipts of any character of any budget unit, all revenue collected for the state, and all public money and dues to the state shall be *deposited into the state treasury in a prompt and cost-efficient manner* [~~paid promptly into the state treasury in the form in which received~~], except that in the case of state departments or agencies located outside Frankfort, and all state institutions, the department of finance may permit temporary deposits to be made to the accounts maintained by the agency, department, or institution in a bank which has been designated as a depository for state funds for a period not to exceed thirty (30) days, and may require that the money be forwarded to the state treasury at the time and in the manner and form

prescribed by the department. Nothing in this section shall be construed as authorizing any representative of any agency, department, or institution to enforce or cash, even for the purpose of a deposit, any check or other instrument of value payable to the Commonwealth or any agency thereof.

(2) Each agency *depositing* [~~shall deposit~~] its receipts directly with the state treasurer *shall do so* on an approved pay-in-voucher form.

(3) The state treasurer, with the approval of the department of finance, may authorize an agency to deposit its receipts directly with a depository designated by the treasury to the credit of the state treasury provided that the treasurer shall prescribe the manner in which the deposit is to be made, and the forms and reports to be filed with the treasury department. The department of finance shall prescribe the forms and reports to be filed with it when this type of deposit is made.

(4) Each department, agency, or other budget unit which receives funds to be deposited into the state treasury shall maintain records to report adequately each amount received, from whom received, and date received; such agency records shall be easily reconcilable with the pay-in-vouchers forwarded to the state treasurer.

Section 5. KRS 42.400 is amended to read as follows:

There is established within the department of finance an office for [~~investment and~~] debt management, which shall be headed by an executive director responsible to the secretary of finance, and appointed by the secretary upon approval of the governor.

Section 6. KRS 42.410 is amended to read as follows:

The office for [~~investment and~~] debt management established in KRS 42.400 shall, subject to the provisions of KRS 41.020 to 41.390, have and perform functions and duties as follows:

(1) The analysis and management of short and long-term cash flow requirements.

(2) [~~The maximization of the return on state investments given the cash flow and liquidity requirements.~~

~~(3)~~] The coordination and monitoring of cash needs relative to [~~investment and~~] debt activity.

(3)[~~(4)~~] The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(4)[~~(5)~~] The evaluation of revenue projections relative to proposed revenue bond issues.

(5)[~~(6)~~] The responsibility for liaison with the general assembly on all [~~investment and~~] debt matters, including, but not limited to, new bond issues, *and* the status of state debt[~~, and the status of state investments~~].

(6)[~~(7)~~] All other functions of the department relative to state [~~investment and~~] debt management including, but not limited to, the making of debt service payments, the sale of bonds, and staff assistance to the state property and buildings commission [~~and the state investment commission~~].

Committee Amendment No. 1 to Committee Substitute to **HB 487** is as follows:

Amend printed copy of Committee Substitute to **HB 487,** on page 7, line 4, by inserting "*and savings and loans*" after "*banks*"

The following meetings were announced:

Committee on Rules: On adjournment, Room 316.

Appropriations and Revenue: Friday, 9:00 a.m., Room 110.

Transportation: On adjournment, Room 104.

State Government: Thirty minutes after adjournment.

Natural Resources and Environment: Special meeting, Friday, 9:00 a.m., Room 105.

Business Organizations and Environment: Friday, 9:00 a.m., Room 109.

Counties and Special Districts: Special meeting, Friday, 8:30 a.m.

Education: Special meeting, Friday, 9:00 a.m., Room 103.

Adjournment

Representative LeMaster moved that the House adjourn until 10:00 a.m., Friday, March 19, 1982.

On the roll call the vote was yeas 37-Barrows, Bendl, Bennett, Boswell, Bronger, Burch, Caldwell, Clark, Cowan, Craddock, Donnermeyer, Dunn, Farrow, Freibert, Gray, Haering, Hines, R. Jones, T. Jones, Layman, List, Mann, McBee, Moberly, Nett, O'Brien, Patrick, Pearman, Petty, Priddy, Riner, F. Smith, Thomas, Turner, Van Horn, Williams, Yates. Nays 9-Blevins, Handy, Holbrook, Holloway, Johnson, Maggard, Noe, Schmidt, B. Smith.

The motion to adjourn was adopted.

FRIDAY, MARCH 19, 1982

FORTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Dr. John C. Chenault, Minister Emeritis, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Pearman.

Representative Brinkley moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 18, 1982, be dispensed with and the same approved. Agreed.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Banking and Insurance: **SB 372.**

Energy: **HR 95.**

Health and Welfare: **SB 155.**

Judiciary-Civil: **SB 230.**

Judiciary-Criminal: **SB 333, SB 340.**

Natural Resources and Environment: **SB 218, SB 396, SB 397.**

Report of Committees

The Committee on Rules reported **HB 153, HB 397, HB 531, HB 6, HB 302, HB 330, HB 544, HB 688, HB 724, HB 732, HB 746, HB 770, HB 781, HB 440, HB 441, HB 456, SB 135, SB 233, SB 266, SB 18, SB 222, SB 229, SB 235, SB 255, SB 283,** and **SJR 27** have been posted for passage in Orders of the Day, March 22, 1982.

The Committee on Rules reported **HB 779, HB 295, HB 453, HB 475, HCR 39, HCR 70** and **SB 216** have been recommitted to the Committee on Appropriations and Revenue.

The Committee on Rules reported **HB 246** has been recommitted to the Committee on Counties and Special Districts.

The Committee on Rules reported **HB 495** has been recommitted to the Committee on Agriculture and Small Business.

The Committee on Appropriations and Revenue reported **HB 428,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 428, AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of the lapsing or insufficiency of former appropriations against which claims were chargeable.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which said claims were chargeable, the sums hereinafter specified:

H. Garrett Adams, M.D. P. O. Box 6832 Louisville, Kentucky 40207	$ 340.00
A. M. International 1316 S. Broadway Lexington, Kentucky	$ 7,589.40
Adver-Tek P. O. Box 12115 Lexington, Kentucky 40511	$ 99.90
American Pro Hunter - Knepshield Company P. O. Box 7626 Louisville, Kentucky 40207	$ 7,294.69
Arnold Graphic, Inc. 3717 Taylorsville Road S-128 Louisville, Kentucky 40220	$ 163.78
Boston Gear, Inc. 14 Hayward Street Quincey, Massachusetts 02171	$ 6,829.88
Belknap, Inc. P. O. Box 32900 Louisville, Kentucky 40232	$ 409.53
Berea Farm Service I-75 & Ky. 21 Berea, Kentucky 40403	$ 1,989.09
Berea Hospital, Inc. Estill Street Berea, Kentucky 40403	$ 20.00
Callis & Johnson, P.S.C. Mayfair Square Professional Bldg. Owensboro, Kentucky 42301	$ 248.00
Capital Travel Agency 116 West Main Street Frankfort, Kentucky 40601	$ 76.00
Cardinal Office Supply 576 East Main Street Frankfort, Kentucky 40601	$ 411.60
Sharon Hamer Carrier Credit & Collection, Inc. P. O. Box 19953 Kansas City, Missouri 64141	$ 31.14

Central Baptist Hospital 1740 Limestone Lexington, Kentucky	$ 261.16
C & O Railroad 2 North Charles Street Baltimore, Maryland 21201	$ 100.00
Coca Cola Bottling Company P. O. Box Drawer 389 Shelbyville, Kentucky 40065	$ 47.87
Drs. Cohen & Silk, P.S.C. 250 East Liberty Louisville, Kentucky	$ 713.00
Robert T. Crosby, M.D. 1403 Andrea Street Bowling Green, Kentucky 42101	$ 434.00
Dan's Marina U.S. 42 West Warsaw, Kentucky 41095	$ 68.40
William J. Davis Company 8050 Hosbrook Drive Cincinnati, Ohio 45236	$ 237.60
The F Stop Chris Bohmer Route 10, Grimes Mill Rd. Lexington, Kentucky 40505	$ 64.40
Fisher Scientific Company 5481 Creek Road Cincinnati, Ohio 45242	$ 171.36
Florence Crittenton Home 185 Division Street Nashville, Tennessee 37203	$ 2,167.20
General Telephone Company P. O. Box 3516 Lexington, Kentucky 40556	$ 1,082.31
Leonard A. Goddy, M.D. 801 Barrett Avenue Louisville, Kentucky 40204	$ 2,946.50
John S. Hoffman Henderson, Kentucky 42420	$ 378.80
Harriet Jane Jaggers 1963 Meadowcreek Louisville, Kentucky	$ 72.80
Donald G. Hartman 1705 Gettysburg Lexington, Kentucky	$ 26.00
Kings Daughters Hospital 2201 Lexington Avenue Ashland, Kentucky 41101	$ 248.00

Lee's Little Inn 128 E. Main Street Richmond, Kentucky 40475	$ 1,094.83
Lowes of Frankfort P.O. Box N., U.S. Highway 421 S. Frankfort, Kentucky 40601	$ 4,814.46
Treasurer, Martin County Inez, Kentucky	$ 2,380.00
Moore Business Forms P.O. Box 23179 Lexington, Kentucky 40503	$ 397.80
Muller, Mintz, Kornreich, Caldwell and Casey, P.A. Suite 1800, Two S. Biscayne Blvd. Miami, Florida 33131	$ 1,554.69
Murphy - Hennessee, Inc. 1635 Triplett Street Owensboro, Kentucky 42301	$ 83.00
Ambulance Inc. of Laurel County P.O. Box 45 London, Kentucky 40741	$ 51.00
The Old Ky. Home Country Club, Inc. P.O. Box 407 Bardstown, Kentucky 40004	$ 4,039.76
Pathology & Cytology Laboratories 2370 Nicholasville Road Lexington, Kentucky 40503	$ 303.00
Pepsi - Cola Bottling Co. 1333 Versailles Road Lexington, Kentucky 40504	$ 302.95
Power Unlimited 616 Myrtle Street Louisville, Kentucky 40208	$ 57.00
Tyra Brumbeck Jackson County	$ 163.42
Roger Collins Perry County	$ 185.35
Plumbers Supply Company P.O. Box 7133 Lexington, Kentucky 40502	$ 297.59
Rankin & Rankin 434 Scott Street Covington, Kentucky 41011	$ 8,157.50
Frank Reaves, Jr. Suite 310, 1st National Bldg. Lexington, Kentucky 40507	$14,487.84

Red Bird Hospital Clinic Beverly, Kentucky 40913	$ 55.25
John Schwab, M.D. University of Louisville Health Sciences Center School of Medicine Louisville, Kentucky 40292	$ 250.00
Scott Gross Co., Inc. 664 Magnolia Avenue Lexington, Kentucky 40505	$ 508.00
South Central Bell Louisville, Kentucky	$34,435.61
Carolyn Starbuck 537 Fogo Court Lexington, Kentucky	$ 16.00
Sun Information Services of Ky., Inc. 656 E. Swedesford Road Wayne, Pa. 19087	$ 4,065.18
Surgical Heart Group 718 Medical Towers, North Louisville, Kentucky 40202	$ 2,723.00
Travenol Laboratories, Inc. Artificial Organs P.O. Box 95683 Chicago, Illinois 60694	$ 651.86
University Surgical Associates P.O. Box 34004 Louisville, Kentucky 40232	$ 2,281.50
A. James Waldron 371 Kings Highway West Haddonfield, New Jersey 08033	$ 1,750.00
Jackie Sue Warner 105 Elkhorn MHP Frankfort, Kentucky 40601	$ 12.00
Webb & Geevarghese, PSC Children's Foundation Building 601 South Floyd St. Louisville, Kentucky 40202	$ 345.00
Carl Wedekind, Jr. 3400 First National Tower Louisville, Kentucky 40202	$ 1,673.65
Don K. Weedman Box 71 Banner, Kentucky	$ 163.00
Norman B. Wiggam Box 178 New Washington, Indiana 47162	$ 753.27

Xerox Corporation 10001 Linn Station Road Louisville, Kentucky 40223	$ 1,843.00
Xerox Corporation P.O. Box 36084 M Pittsburg, Pa. 15250	$ 350.00
J. C. Yagel Hardware 308 Ann Street Frankfort, Kentucky 40601	$ 44.86
Albright and Barkley, Inc. 1408 Versailles Road Lexington, Kentucky 40504	$ 130.27
Clark Service Company c/o Hon. Douglas Gene Sharp 601 West Main Street Louisville, Kentucky 40202	$ 4,535.16
Dames and Moore 1015 Richmond Road Lexington, Kentucky 40502	$ 8,760.97
Friend Tractor & Motor Company 511 North Broadway Georgetown, Kentucky 40324	$ 34.24
R. V. May Company P.O. Box 5228 1535 Delaware Road Lexington, Kentucky 40555	$ 505.85
Kentucky State Treasurer Capital Annex Building Frankfort, Kentucky 40601	$ 112.72
Dictaphone Corporation P.O. Box 2504 Grand Central Station New York City, New York 10017	$ 1,460.20
Bradley Asher, Jr. Route #3 Speedwell, Tennessee 37870	$ 30.42
Allen W. Barnes 9208 Bermuda Court Crestwood, Kentucky 40014	$ 1.96
Lona Barnett 508 Highview Terrace North Brandon, Florida 33511	$ 10.73
Homer R. Boyd 317 W. North Street Springfield, Ohio 45504	$ 498.00
E. C. Buchanan 943 Clay Street Hartford, Kentucky 42347	$ 22.99

Mona Burkhalter Pewee Valley, Kentucky 40056	$ 20.84
James & B. Charles Argo, Kentucky 41511	$ 53.59
John W. & Virgie Dugan Route #2 Cox's Creek, Kentucky 40013	$ 6.59
L. B. & G. S. Fairchild 435 N. Arnold Avenue Prestonsburg, Kentucky 41653	$ 13.85
Foley Construction Company 5050 Orchard Street Cincinnati, Ohio 45212	$ 1,000.00
David J. Guffey Route #3, Box 112 Albany, Kentucky 42602	$ 6.70
J. H. Harmon c/o Mrs. Lorraine Goins Bureau of State Police Frankfort, Kentucky 40601	$ 802.21
John C. & M. E. Harris 3809 Rimonte Drive Louisville, Kentucky 40220	$ 5.91
Joseph B. Henriksen 1609 Dundee Road Louisville, Kentucky 40205	$ 94.06
Albert & D. Jump Box 741, Hogreffe Road Independence, Kentucky 41051	$ 68.00
Sam King P.O. Box 237 Burnside, Kentucky 42519	$ 879.24
Paul M. Kogut 217 Dennison Street Highland Park, New Jersey 08904	$ 4,469.39
Sam L. Luttrell 6300 Southe Point Blvd. Unit 440 Fort Myers, Florida 33907	$ 21.44
Joseph E. McDougall 5301 Vista Louisville, Kentucky 40214	$ 2.64
Herbert M. & M. M. McGaughey 12214 Davidson Drive Middletown, Kentucky 40243	$ 28.00
Robert H. Melton P.O. Box 951 Clarksville, Tennessee 37040	$ 5.02

Helen A. Patton 629 Buttermilk Park Crescent Springs, Kentucky 41017	$ 3.90
Steven H. Pittleman 329 East 63rd Street Apartment 3J New York, New York 10021	$ 30.53
Harolyn H. Rasche 2929 Jefferson Street Paducah, Kentucky 42001	$ 101.34
Steve Rust Route #2, Box 258 California, Kentucky 41007	$ 11.20
John L. Shepherd Box 186 Benham, Kentucky 40807	$ 3.62
Mary R. Shoemaker 808 Cedar Street Owensboro, Kentucky 42301	$ 25.98
Bernard L. Smith 4211 Allendorf Drive, #10 Cincinnati, Ohio 45209	$ 7.05
Mary A. Smith Helms 141 Creekwood Lane Hendersonville, Tennessee 37075	$ 9.45
Anita Sutherland Route #1 Bagdad, Kentucky 40003	$ 160.54
W. H. Webb 701 Henry Clay Blvd. Lexington, Kentucky 40502	$ 30.00
Aubrey H. & H. M. Wood Box 125, Route #1 Cerulean, Kentucky 42215	$ 6.37
James H. Wrocklage 2904 Wimpole Court Louisville, Kentucky 40218	$ 2.73

Section 2. The Department of Finance and the State Treasurer are authorized hereby to pay the following listed claims from the following funds:

(a) The Department of Labor is authorized to pay certain claims from their Agency Fund Account for lawn care for June and August of 1978, travel expenses for Kenneth Kennedy, a hearing officer for the Workers' Compensation Board, for the period May, 1978 through June, 1980 and Extended Non-Owned Coverage (Drive Other Car Coverage) for employe Michael L. Roberts, the sums hereinafter specified:

Frankfort Habilitation, Inc. Route #7, U.S. 127 South Frankfort, Kentucky 40601	$ 850.00

Kenneth H. Kennedy Box 167 Cadiz, Kentucky 42211	$ 4,273.22
Michael L. Roberts Bethlehem, Kentucky	$ 32.00

(b) The Transportation Department is authorized to make payment from the Transportation Fund, for State Treasury checks payable to the persons or their personal representatives, but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Breathitt Circuit Court Clerk Commonwealth vs. Burnice Griffith	$ 5,200.00
Breathitt Circuit Court Clerk Commonwealth vs. L. Turner Heirs	$ 200.00
C. L. Snapp c/o Department of Transportation Frankfort, Kentucky	$ 43.05

(c) Kentucky Retirement Systems is authorized to make payment from the Retirement Fund, for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Hazel Savage 246 Chenault Road Lexington, Kentucky 40502	$ 105.39
H. B. Terhune 158 Mock Court Harrodsburg, Kentucky 40330	$ 22.57
Gayle T. Brooks 843 Craig Street Covington, Kentucky 41011	$ 47.89
Harold M. Lyons 3231 N. Talbort Erlanger, Kentucky 41018	$ 15.49
Norman E. Niece 1630 Banklick Street Covington, Kentucky 41011	$ 1.37
Robert G. Ross 1408 Greenup Street Covington, Kentucky 41011	$ 39.94
Joseph L. Scivnor 218 West 34th Street Covington, Kentucky 41015	$ 21.50
Jerry W. Sowders 6180 Decoursey Park Covington, Kentucky 41015	$ .91

Estate of Edith M. David c/o Mr. Brian Borellis Geralds, Cassidy and Maloney 605 Court House Building 107 Cheapside Lexington, Kentucky 40507	$ 101.87

Section 3. The persons and companies named above have in good faith furnished the services, supplies, and materials enumerated in Sections 1 and 2 of this Act, and the Commonwealth having received the benefits of same, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Committee Substitute to **HB 428** is as follows:

HB 428, AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of the lapsing or insufficiency of former appropriations against which claims were chargeable.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which said claims were chargeable, the sums hereinafter specified:

H. Garrett Adams, M.D. P. O. Box 6832 Louisville, Kentucky 40207	$ 340.00
A. M. International 1316 S. Broadway Lexington, Kentucky	$ 7,589.40
Adver-Tek P. O. Box 12115 Lexington, Kentucky 40511	$ 99.90
American Pro Hunter - Knepshield Company P. O. Box 7626 Louisville, Kentucky 40207	$ 7,294.69
Arnold Graphic, Inc. 3717 Taylorsville Road S-128 Louisville, Kentucky 40220	$ 163.78
Boston Gear, Inc. 14 Hayward Street Quincey, Massachusetts 02171	$ 6,829.88
Belknap, Inc. P. O. Box 32900 Louisville, Kentucky 40232	$ 409.53
Berea Farm Service I-75 & Ky. 21 Berea, Kentucky 40403	$ 1,989.09

Berea Hospital, Inc. Estill Street Berea, Kentucky 40403	$ 20.00
Callis & Johnson, P.S.C. Mayfair Square Professional Bldg. Owensboro, Kentucky 42301	$ 248.00
Capital Travel Agency 116 West Main Street Frankfort, Kentucky 40601	$ 76.00
Cardinal Office Supply 576 East Main Street Frankfort, Kentucky 40601	$ 411.60
Sharon Hamer Carrier Credit & Collection, Inc. P. O. Box 19953 Kansas City, Missouri 64141	$ 31.14
Central Baptist Hospital 1740 Limestone Lexington, Kentucky	$ 261.16
C & O Railroad 2 North Charles Street Baltimore, Maryland 21201	$ 100.00
Coca Cola Bottling Company P. O. Box Drawer 389 Shelbyville, Kentucky 40065	$ 47.87
Drs. Cohen & Silk, P.S.C. 250 East Liberty Louisville, Kentucky	$ 713.00
Robert T. Crosby, M.D. 1403 Andrea Street Bowling Green, Kentucky 42101	$ 434.00
Dan's Marina U.S. 42 West Warsaw, Kentucky 41095	$ 68.40
William J. Davis Company 8050 Hosbrook Drive Cincinnati, Ohio 45236	$ 237.60
The F Stop Chris Bohmer Route 10, Grimes Mill Rd. Lexington, Kentucky 40505	$ 64.40
Fisher Scientific Company 5481 Creek Road Cincinnati, Ohio 45242	$ 171.36
Florence Crittenton Home 185 Division Street Nashville, Tennessee 37203	$ 2,167.20

General Telephone Company P. O. Box 3516 Lexington, Kentucky 40556	$ 1,082.31
Leonard A. Goddy, M.D. 801 Barrett Avenue Louisville, Kentucky 40204	$ 2,946.50
John S. Hoffman Henderson, Kentucky 42420	$ 378.80
Harriet Jane Jaggers 1963 Meadowcreek Louisville, Kentucky	$ 72.80
Donald G. Hartman 1705 Gettysburg Lexington, Kentucky	$ 26.00
Kings Daughters Hospital 2201 Lexington Avenue Ashland, Kentucky 41101	$ 248.00
Lee's Little Inn 128 E. Main Street Richmond, Kentucky 40475	$ 1,094.83
Lowes of Frankfort P.O. Box N., U.S. Highway 421 S. Frankfort, Kentucky 40601	$ 4,814.46
Treasurer, Martin County Inez, Kentucky	$ 2,380.00
Moore Business Forms P.O. Box 23179 Lexington, Kentucky 40503	$ 397.80
Muller, Mintz, Kornreich, Caldwell and Casey, P.A. Suite 1800, Two S. Biscayne Blvd. Miami, Florida 33131	$ 1,554.69
Murphy - Hennessee, Inc. 1635 Triplett Street Owensboro, Kentucky 42301	$ 83.00
Ambulance Inc. of Laurel County P.O. Box 45 London, Kentucky 40741	$ 51.00
The Old Ky. Home Country Club, Inc. P.O. Box 407 Bardstown, Kentucky 40004	$ 4,039.76
Pathology & Cytology Laboratories 2370 Nicholasville Road Lexington, Kentucky 40503	$ 303.00
Pepsi - Cola Bottling Co. 1333 Versailles Road Lexington, Kentucky 40504	$ 302.95

Power Unlimited 616 Myrtle Street Louisville, Kentucky 40208	$ 57.00
Tyra Brumbeck Jackson County	$ 163.42
Roger Collins Perry County	$ 185.35
Plumbers Supply Company P.O. Box 7133 Lexington, Kentucky 40502	$ 297.59
Rankin & Rankin 434 Scott Street Covington, Kentucky 41011	$ 8,157.50
Frank Reaves, Jr. Suite 310, 1st National Bldg. Lexington, Kentucky 40507	$14,487.84
Red Bird Hospital Clinic Beverly, Kentucky 40913	$ 55.25
John Schwab, M.D. University of Louisville Health Sciences Center School of Medicine Louisville, Kentucky 40292	$ 250.00
Scott Gross Co., Inc. 664 Magnolia Avenue Lexington, Kentucky 40505	$ 508.00
South Central Bell Louisville, Kentucky	$34,435.61
Carolyn Starbuck 537 Fogo Court Lexington, Kentucky	$ 16.00
Sun Information Services of Ky., Inc. 656 E. Swedesford Road Wayne, Pa. 19087	$ 4,065.18
Surgical Heart Group 718 Medical Towers, North Louisville, Kentucky 40202	$ 2,723.00
Travenol Laboratories, Inc. Artificial Organs P.O. Box 95683 Chicago, Illinois 60694	$ 651.86
University Surgical Associates P.O. Box 34004 Louisville, Kentucky 40232	$ 2,281.50
A. James Waldron 371 Kings Highway West Haddonfield, New Jersey 08033	$ 1,750.00

Jackie Sue Warner 105 Elkhorn MHP Frankfort, Kentucky 40601	$ 12.00
Webb & Geevarghese, PSC Children's Foundation Building 601 South Floyd St. Louisville, Kentucky 40202	$ 345.00
Carl Wedekind, Jr. 3400 First National Tower Louisville, Kentucky 40202	$ 1,673.65
Don K. Weedman Box 71 Banner, Kentucky	$ 163.00
Norman B. Wiggam Box 178 New Washington, Indiana 47162	$ 753.27
Xerox Corporation 10001 Linn Station Road Louisville, Kentucky 40223	$ 1,843.00
Xerox Corporation P.O. Box 36084 M Pittsburg, Pa. 15250	$ 350.00
J. C. Yagel Hardware 308 Ann Street Frankfort, Kentucky 40601	$ 44.86
Albright and Barkley, Inc. 1408 Versailles Road Lexington, Kentucky 40504	$ 130.27
Clark Service Company c/o Hon. Douglas Gene Sharp 601 West Main Street Louisville, Kentucky 40202	$ 4,535.16
Dames and Moore 1015 Richmond Road Lexington, Kentucky 40502	$ 8,760.97
Friend Tractor & Motor Company 511 North Broadway Georgetown, Kentucky 40324	$ 34.24
R. V. May Company P.O. Box 5228 1535 Delaware Road Lexington, Kentucky 40555	$ 505.85
Kentucky State Treasurer Capital Annex Building Frankfort, Kentucky 40601	$ 112.72
Dictaphone Corporation P.O. Box 2504 Grand Central Station New York City, New York 10017	$ 1,460.20

Bradley Asher, Jr. Route #3 Speedwell, Tennessee 37870	$ 30.42
Allen W. Barnes 9208 Bermuda Court Crestwood, Kentucky 40014	$ 1.96
Lona Barnett 508 Highview Terrace North Brandon, Florida 33511	$ 10.73
Homer R. Boyd 317 W. North Street Springfield, Ohio 45504	$ 498.00
E. C. Buchanan 943 Clay Street Hartford, Kentucky 42347	$ 22.99
Mona Burkhalter Pewee Valley, Kentucky 40056	$ 20.84
James & B. Charles Argo, Kentucky 41511	$ 53.59
John W. & Virgie Dugan Route #2 Cox's Creek, Kentucky 40013	$ 6.59
L. B. & G. S. Fairchild 435 N. Arnold Avenue Prestonsburg, Kentucky 41653	$ 13.85
Foley Construction Company 5050 Orchard Street Cincinnati, Ohio 45212	$ 1,000.00
David J. Guffey Route #3, Box 112 Albany, Kentucky 42602	$ 6.70
J. H. Harmon c/o Mrs. Lorraine Goins Bureau of State Police Frankfort, Kentucky 40601	$ 802.21
John C. & M. E. Harris 3809 Rimonte Drive Louisville, Kentucky 40220	$ 5.91
Joseph B. Henriksen 1609 Dundee Road Louisville, Kentucky 40205	$ 94.06
Albert & D. Jump Box 741, Hogreffe Road Independence, Kentucky 41051	$ 68.00
Sam King P.O. Box 237 Burnside, Kentucky 42519	$ 879.24

Paul M. Kogut 217 Dennison Street Highland Park, New Jersey 08904	$ 4,469.39
Sam L. Luttrell 6300 Southe Point Blvd. Unit 440 Fort Myers, Florida 33907	$ 21.44
Joseph E. McDougall 5301 Vista Louisville, Kentucky 40214	$ 2.64
Herbert M. & M. M. McGaughey 12214 Davidson Drive Middletown, Kentucky 40243	$ 28.00
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Bernard L. Smith 4211 Allendorf Drive, #10 Cincinnati, Ohio 45209	$ 7.05
Mary A. Smith Helms 141 Creekwood Lane Hendersonville, Tennessee 37075	$ 9.45
Anita Sutherland Route #1 Bagdad, Kentucky 40003	$ 160.54
W. H. Webb 701 Henry Clay Blvd. Lexington, Kentucky 40502	$ 30.00

Aubrey H. & H. M. Wood Box 125, Route #1 Cerulean, Kentucky 42215	$ 6.37
James H. Wrocklage 2904 Wimpole Court Louisville, Kentucky 40218	$ 2.73
Russell N. Ferguson Route #2 Hopkinsville, Kentucky 42240	$ 144.00
The Perkin - Elmer Corporation P. O. Box 95230 Chicago, Illinois	$ 2,882.75
U.S. Department of Commerce National Bureau of Standards Administration Bldg. - Room A807 Washington, DC 20234	$ 162.00
Hon. Paul B. Jones, et al Office for Public Advocacy State Office Building Annex Frankfort, Kentucky 40601	$67,200.51
Breckinridge Sq. Apts. c/o David M. Carney 1820 Tyler Lane Louisville, Kentucky 40205	$ 273.62
R. L. Louden Route #3 Bedford, Kentucky	$ 153.09
M.S. & N.S. Edgerely 14 Hawthorn Hill Louisville, Kentucky 40204	$ 143.36

Section 2. The Department of Finance and the State Treasurer are authorized hereby to pay the following listed claims from the following funds:

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Kenneth H. Kennedy Box 167 Cadiz, Kentucky 42211	$ 4,273.22
Michael L. Roberts Bethlehem, Kentucky	$ 32.00

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Breathitt Circuit Court Clerk Commonwealth vs. L. Turner Heirs	$ 200.00
C. L. Snapp c/o Department of Transportation Frankfort, Kentucky	$ 43.05

(c) Kentucky Retirement Systems is authorized to make payment from the Retirement Fund, for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

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H. B. Terhune 158 Mock Court Harrodsburg, Kentucky 40330	$ 22.57
Gayle T. Brooks 843 Craig Street Covington, Kentucky 41011	$ 47.89
Harold M. Lyons 3231 N. Talbort Erlanger, Kentucky 41018	$ 15.49
Norman E. Niece 1630 Banklick Street Covington, Kentucky 41011	$ 1.37
Robert G. Ross 1408 Greenup Street Covington, Kentucky 41011	$ 39.94
Joseph L. Scivnor 218 West 34th Street Covington, Kentucky 41015	$ 21.50
Jerry W. Sowders 6180 Decoursey Park Covington, Kentucky 41015	$ .91
Estate of Edith M. David c/o Mr. Brian Borellis Geralds, Cassidy and Maloney 605 Court House Building 107 Cheapside Lexington, Kentucky 40507	$ 101.87

Section 3. WHEREAS, Danny L. Hay, a Maysville, Kentucky police officer, died on October 15, 1977, as a direct result of an act in the line of duty;

WHEREAS, KRS 61.315 provided at the time of Officer Hay's death a $5,000 death benefit payable to the surviving spouse or children of a police officer ". . . whose death occurs as a direct result of an act in the line of duty."

WHEREAS, Danny L. Hay was unmarried and childless;

WHEREAS, Danny L. Hay was a major source of support for his parents with whom he lived;

NOW, THEREFORE,

There is hereby appropriated out of the General Fund in the State Treasury the sum of five thousand dollars ($5,000), which sum shall be paid by the state treasurer to the estate of Danny L. Hay, Maysville, Kentucky.

Section 4. Because some of the claims specified in this Act have been pending for substantial lengths of time, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee on Counties and Special Districts reported **HB 757** and **SB 341** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 757, AN ACT relating to county employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.530 is amended to read as follows:

(1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the compensation of every county officer and employe except the officers named in KRS 64.535 and the county attorney. The fiscal court may provide a salary for the county attorney.

(2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employes, but employes of county boards or commissions which are now authorized by law to fix the compensation of their employes shall not be deemed to be county employes for the purposes of this section.

(3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court *shall* [~~may~~] also fix the number of deputies and assistants, and, the compensation thereof, and *may fix* the maximum amount that the officer may expend each year for expenses of his office.

(4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. *The fiscal court may, upon the written request of the officer, increase or decrease the number of permanent or temporary deputies and assistants authorized to the office at any time after the beginning of the term of the officer. The fiscal court shall fix the compensation of deputies and assistants hired during the term of the officer at the time of their employment, and their compensation may be reviewed and adjusted at the same time as that of other deputies and assistants.* On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.

(5) Nothing in this section shall apply to property valuation administrators or their deputies, assistants and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants and expenses, in counties having a population of 75,000 or more.

(6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third or fourth class, shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first class shall not exceed nine thousand six hundred dollars ($9,600) per year, in counties containing cities of the second class it shall not exceed nine thousand dollars ($9,000) per year and in counties containing cities of the third or fourth class it shall not exceed twenty percent (20%) more than the annual compensation paid in the county for the calendar year immediately preceding 1974, and all of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; nor shall they receive any compensation for serving on committees of the fiscal court. The fiscal court shall fix the amount to be received within the above limit,

but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office.

Section 2. KRS 68.290 is amended to read as follows:

The fiscal court may transfer money from one (1) budget fund to another to provide for emergencies *or increases or decreases in county employment pursuant to KRS 64.530(4)*. The order of the fiscal court making the transfer shall show the nature of the emergency *or personnel increase or decrease* and the reason for making the transfer. The fiscal court shall not have any power to transfer money from any sinking fund or special fund raised for a specific purpose until the obligation or purpose for which the fund was raised has been satisfied.

SB 341, AN ACT relating to parks, playgrounds and recreation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 97.630 is amended to read as follows:

(1) Any city of the first class that has constructed a war memorial under the provisions of chapter 23 of the Acts of 1922 shall have a memorial commission consisting of seven (7) members. Members shall be not less than twenty-five (25) years of age and shall be bona fide residents of the county in which the city is situated. Upon the expiration of the terms of the members of the commission appointed or elected under the provisions of chapter 23 of the Acts of 1922, the remaining members of the commission shall elect members to succeed those whose terms have expired, to serve for terms of seven (7) years each, and annually thereafter members to succeed those whose terms have expired shall be elected for terms of seven (7) years each by the remaining members of the commission. Vacancies in the terms of members shall be filled by the remaining members of the commission. Members selected to fill vacancies shall serve for the unexpired term. The members of the commission shall serve without compensation, but shall be allowed their necessary expenses for travel when engaged on the business of the commission.

(2) A city of the second, third, fourth, fifth or sixth class that has constructed a war memorial under the provisions of Chapter 128 of the Acts of 1946, may, by ordinance, have a memorial commission consisting of fifteen (15) members. Members of the commission shall be nominated and appointed by the mayor and approved by the city legislative body. Five (5) of said members shall be appointed to serve five (5) years; five (5) members shall be appointed to serve six (6) years; and five (5) members shall be appointed to serve seven (7) years. Thereafter, members to succeed those whose terms have expired shall be elected by the remaining members of the commission for terms of seven (7) years. Vacancies in the terms of members shall be filled by the remaining members of the commission. Members selected to fill vacancies shall serve for the unexpired term. The members of the commission shall serve without compensation, but shall be allowed their necessary expenses for travel when engaged in the business of the commission.

Section 2. KRS 97.640 is amended to read as follows:

(1) A [~~The~~] commission *in a city of the first class* shall annually elect a chairman from its members, to serve for the term of one (1) year. The commission may elect a secretary and treasurer, not a member of the commission, who shall hold the combined office at the pleasure of the commission, and may receive a salary to be fixed and paid by the commission, not exceeding $2,500 per annum. The commission may select and fix the compensation of such officers or employes as it deems necessary to properly carry on the work of the commission, to serve at the pleasure of the commission. The compensation of all officers and employes of the commission employed in the operation or maintenance of the memorial shall constitute maintenance expenses and shall be paid as such.

(2) A commission in a city of the second, third, fourth, fifth and sixth classes shall annually elect a chairman from its members, to serve for the term of one (1) year. The commission may elect a secretary and treasurer, not a member of the commission, who shall hold the combined office at the pleasure of the commission, and may receive a salary to be determined by the commission. The commission may select and fix the compensation of such officers or employes as it deems necessary to properly carry on the work of the commission, to serve at the pleasure of the commission. The compensation of all officers and employes of the commission employed in the operation or maintenance of the memorial shall constitute maintenance expenses and shall be paid as such.

Section 3. KRS 97.670 is amended to read as follows:

The memorial shall commemorate the valorous and patriotic deeds and service of the soldiers and sailors, of the city and county in which the commission acts, who were engaged in the army and navy of the United States during the World War of 1914 to 1918, *the World War of 1941 to 1945, the Korean and Viet Nam conflicts, and other international armed conflicts in which the United States participated.* The memorial shall be permanent in character, and shall take the form of a building or buildings, with halls and auditoriums ample for both large and small assemblages, conventions, theatrical, musical and other entertainments, and with suitable offices, rooms and equipment to properly maintain and operate the building or buildings, and appropriate statuary and works of memorial art, and all grounds necessary or appropriate for such purposes, all of which shall be embraced by the term "memorial." The commission may maintain in the memorial such flags, insignia, mementos, records and archives of the war, or of historical significance in connection therewith, as may fittingly exemplify or illustrate the patriotic services rendered the United States in the war by the soldiers and sailors, as well as by the citizens and residents of the city and county who were not engaged in the military or naval service of the United States during the war. The title to the memorial and all property acquired by the commission shall be vested in the commission, and shall be held in trust for the city for the purposes contemplated in KRS 97.630 to 97.780, free from all taxation or assessments.

Section 4. KRS 97.700 is amended to read as follows:

(1) In order to provide sufficient funds for maintaining the memorial and for carrying on the work of the commission the city legislative body *in cities of the first class* shall annually appropriate from the general fund of the city such sums as in the judgment of the legislative body shall, when supplemented by any funds received by the commission from gifts or earnings of the memorial, be reasonably necessary for such purposes. All moneys so appropriated may be paid over to the commission by the director of finance of such city in regular monthly instalments. If it appears from the report or statement of the commission that funds received by gift or from earnings of the memorial, available for maintenance of the memorial for any fiscal year, are fully adequate for the purpose, the appropriation for such year may be withheld by the legislative body.

(2) For the purpose of providing necessary funds for maintaining such memorial and for carrying on the work of the commission a city legislative body of cities of the second, third, fourth, fifth and sixth classes may annually appropriate from the general fund of the city or annually levy and collect a tax not exceeding five cents (5¢) on each one hundred dollars ($100) worth of taxable property in such city as determined by the last regular assessment of such city, and the taxes so levied shall be collected in the customary way and shall be paid over to said commission for the purpose named in this section; provided, however, that if it shall appear from the report or statement of the commission that funds received by gift or from earnings of the memorial, available for maintenance of the memorial for any fiscal year, are fully adequate therefor after deductions therefrom are made as herein provided, the said tax levy for such year may be withheld by the city legislative body.

Section 5. KRS 97.710 is amended to read as follows:

Except with the approval of the city legislative body, the commission shall not incur for maintenance purposes of the memorial, or permit the incurrence of, any liability or expense exceeding the total funds derived or to be derived for any fiscal year by appropriation from the city for such year, *or the levying and collection of taxes for such purpose in the fiscal year,* supplemented by income from the memorial and by donations in money or property reduced to money made to the commission for maintenance purposes.

Section 6. KRS 97.720 is amended to read as follows:

(1) The fiscal year of the commission shall be the same as that of the city. The commission shall, each May, prepare and certify to the mayor, to be by him transmitted to the legislative body, a statement showing the total funds that, in the judgment of the commission, will be needed for maintaining the memorial for the ensuing fiscal year; setting forth in detail the sums needed for the different classes of expenditure; setting forth the estimated balance that will be on hand on the first of July following the certification of the statement and available for expenditure during the ensuing fiscal year for maintenance purposes; and indicating, as nearly as possible, what additional assets other than those derived from the city appropriation will become available for maintenance purposes for the ensuing fiscal year.

(2) The legislative body, in making the appropriation *or levy of the tax* for maintenance purposes, shall take into consideration the amount of funds held or derived by the commission from donations for maintenance purposes. The commission may set aside and retain from year to year, out of the maintenance funds derived by gift or appropriation, a reasonable fund to be known as an "improvement and replacement fund," to cover needed improvements, replacements and equipment for, and depreciation of, the memorial. The funds shall be placed at interest in a bank of the city, with the mayor's approval, or invested in United States government interest-bearing bonds, or bonds of the city or any of its instrumentalities. The amount set aside each year for such purposes shall be made with the approval of the mayor, and shall be held and used as occasion requires as a further memorial building and improvement fund to improve and further equip the memorial, and for replacement purposes if the memorial or any portion of it is destroyed by casualty or decay. The cost of ordinary repairs shall be paid for out of maintenance funds.

The Committee on Banking and Insurance reported **SB 315** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 315, AN ACT relating to article 9 of the uniform commercial code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 355.9-301 is amended to read as follows:

(1) Except as otherwise provided in subsection (2) an unperfected security interest is subordinate to the rights of:

(a) Persons entitled to priority under KRS 355.9-312;

(b) A person who becomes a lien creditor without knowledge of the security interest and before it is perfected;

(c) In the case of goods, instruments, documents, and chattel paper, a person who is not a secured party and who is a transferee in bulk or other buyer not in ordinary course of business to the extent that he gives value and receives delivery of the collateral without knowledge of the security interest and before it is perfected;

(d) In the case of accounts, contract rights, and general intangibles, a person who is not a secured party and who is a transferee to the extent that he gives value without knowledge of the security interest and before it is perfected.

(2) If the secured party files with respect to a purchase money security interest before or within *twenty (20)* [~~ten (10)~~] days after the collateral comes into possession of the debtor, he takes priority over the rights of a transferee in bulk or of a lien creditor which arise between the time the security interest attaches and the time of filing.

(3) A "lien creditor" means a creditor who has acquired a lien on the property involved by attachment, levy or the like and includes an assignee for benefit of creditors from the time of assignment, and a trustee in bankruptcy from the date of the filing of the petition or a receiver in equity from the time of appointment. Unless all the creditors represented had knowledge of the security interest such a representative of creditors is a lien creditor without knowledge even though he personally has knowledge of the security interest.

Section 2. KRS 355.9-312 is amended to read as follows:

(1) The rules of priority stated in the following sections shall govern where applicable: KRS 355.4-208 with respect to the security interest of collecting banks in items being collected, accompanying documents and proceeds; KRS 355.9-301 on certain priorities; KRS 355.9-304 on goods covered by documents; KRS 355.9-306 on proceeds and repossessions; KRS 355.9-307 on buyers of goods; KRS 355.9-308 on possessory against non-possessory interests in chattel paper on non-negotiable instruments; KRS 355.9-309 on security interest in negotiable instruments, documents or securities; KRS 355.9-310 on priorities between perfected security interests and liens by operation of law; KRS 355.9-313 on security interests in fixtures as against interests in real estate; KRS 355.9-314 on security interests in accessions as against interests in goods; KRS 355.9-315 on conflicting security interests where goods lose their identity or become part of a product; and KRS 355.9-316 on contractual subordination.

(2) A perfected security interest in crops for new value given to enable the debtor to produce the crops during the production season and given not more than three months before the crops become growing crops by planting or otherwise takes priority over an earlier perfected security interest to the extent that such earlier interest secures obligations due more than six months before the crops become growing crops by planting or otherwise, even though the person giving new value had knowledge of the earlier security interest.

(3) A purchase money security interest in inventory collateral has priority over a conflicting security interest in the same collateral if:

(a) the purchase money security interest is perfected at the time the debtor received possession of the collateral; and

(b) any secured party whose security interest is known to the holder of the purchase money security interest or who, prior to the date of the filing made by the holder of the purchase money security interest, had filed a financing statement covering the same items or type of inventory, has received notification of the purchase money security interest before the debtor receives possession of the collateral covered by the purchase money security interest; and

(c) such notification states that the person giving the notice has or expects to acquire a purchase money security interest in inventory of the debtor, describing such inventory by item or type.

(4) A purchase money security interest in collateral other than inventory has priority over a conflicting security interest in the same collateral if the purchase money security interest is perfected at the time the debtor receives possession of the collateral or within *twenty (20)* [~~ten (10)~~] days thereafter.

(5) In all cases not governed by other rules stated in this section (including cases of purchase money security interests which do not qualify for the special priorities set forth in subsections (3) and (4) of this section), priority between conflicting security interests in the same collateral shall be determined as follows

(a) in the order of filing if both are perfected by filing, regardless of which security interest attached first under KRS 355.9-204 (1) and whether it attached before or after filing;

(b) in the order of perfection unless both are perfected by filing, regardless of which security interest attached first under KRS 355.9-204 (1) and, in the case of a filed security interest, whether it attached before or after filing; and

(c) in the order of attachment under KRS 355.9-204 (1) so long as neither is perfected.

(6) For the purpose of the priority rules of subsection (5), a continuously perfected security interest shall be treated at all times as if perfected by filing if it was originally so perfected and it shall be treated at all times as if perfected otherwise than by filing if it was originally perfected otherwise than by filing.

The Committee on Appropriations and Revenue reported **HB 440,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on Natural Resources and Environment reported **SB 247, SB 386, SB 393,** and **SB 394** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 247, AN ACT relating to enforcement of subpoenas of the Department for Natural Resources and Environmental Protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.082 is amended to read as follows:

In case of refusal to obey a subpoena issued to any person, *any circuit court of competent jurisdiction* [~~the Franklin Circuit Court~~], upon application by *any party* [~~the department~~], may issue to that person an order requiring him to appear before the department, there to produce documentary evidence if so ordered or to give evidence touching the matter under investigation or in question; and any failure to obey the order of the court may be punished by the court as a contempt of court.

Section 2. KRS 350.032 is amended to read as follows:

(1) In case of refusal to obey a subpoena issued to any person, *any circuit court of competent jurisdiction* [~~the Franklin Circuit Court~~], upon application by *any party* [~~the department~~], may issue to that person an order requiring him to appear before the department, there to produce documentary evidence if so ordered or to give evidence touching the matter under investigation or in question; and any failure to obey the order of the court may be punished by the court as a contempt of court.

(2) Any person aggrieved by a final order of the department may obtain a review of the order by filing in the Franklin Circuit Court, within thirty (30) days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part. A copy of the petition shall be forthwith served upon the department, and thereupon the department shall certify and file in court a copy of the record before the department, including therein all pleadings, orders, documentary exhibits and the stenographic transcript of the testimony taken before the department. When these have been filed, the court shall have exclusive jurisdiction to affirm, modify, enforce or set aside the order, in whole or in part. No objection to the order may be considered by the court unless it was urged before the department or there were reasonable grounds for failure to do so. The findings of the department as to the facts, if supported by substantial evidence, are conclusive. If either party applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for failure to adduce the evidence in the hearings before the department, the court may order that additional evidence be taken before the department in such manner and upon such condition as the court may consider proper. The department may modify its findings as to the facts, by reason of the additional evidence so taken; and it shall file any modified or new findings with the court, which if supported by substantial evidence shall be conclusive, and any recommendation for the modification or setting aside of the original order. The commencement of the proceedings under this section does not, unless specifically ordered by the court, operate as a stay of the department's order. An appeal may be taken from the judgment of the Franklin Circuit Court to the Court of Appeals on the same terms and conditions as an appeal is taken in any civil action.

SB 386, AN ACT relating to underground coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 352.040-352.050 IS CREATED TO READ AS FOLLOWS:

There shall be no cutting or welding inby the last open break, except in case of emergency.

SB 393, AN ACT relating to underground coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.130 is amended to read as follows:

(1) At every mine operated by shaft, there shall be an approved safety catch, and on all cages used for lowering and hoisting persons there shall be a sufficient and substantial overhead cover. At the top of each shaft a safety gate shall be provided. An adequate brake, so adjusted that it may be operated by the engineer without leaving his post at the levers, shall be attached to every drum or equivalent machine used for lowering or raising persons at any shaft or slope, and in connection with the hoisting engine an efficient indicator or dial, which will show the engineer the positions of the cages in the shaft at any time, shall be used. Approved means for signaling to the bottom man, the top man and the engineer shall be provided, and all shafts used for lowering or hoisting men shall be equipped with metal tubes or pipes or with telephones, through which conversations may be freely held between persons at the bottom and top landings.

(2) Cages and incline cars on which men are transported shall be raised or lowered at a rate of speed consistent with the equipment and the physical conditions of the mine, subject to the approval of the mine inspector.

(3) The hoisting rope, the safety catches and the cage attachments shall be examined by the mine foreman, or by some competent person designated by him, every morning before the men descend into the mine, and care shall be taken to keep them in good working condition at all times.

(4) No person shall ride on any cage when coal, slate or similar material is being raised.

(5) No person shall enter a cage at the bottom to be raised to the top during the running hours of the mine, or when leaving work at the close of the day's run, without first being authorized by the bottom man or cager to do so, the bottom man or cager having first signaled to the engineer that men are to be raised.

(6) At every underground landing where persons enter or leave the cage and where persons must pass from one side of the shaft to the other there shall be a passageway not less than three (3) feet wide and of suitable height, kept free from obstruction and as dry as possible, around the shaft; and all employes when passing from one side of the shaft to the other side shall use the passageway only.

(7) Whenever the hoisting or lowering of men occurs before daylight or after dark, or when the landing at which men take or leave the cage is obscured by steam or otherwise, there shall be maintained at each landing a light sufficient to show the landing and objects in immediate proximity thereto, and as long as men are underground a good light shall be maintained at the bottom of the shaft, so that persons coming to the bottom may discern the cage and objects in the vicinity thereof.

(8) Hoisting ropes on all cages or trips shall be adequate in size to handle the load and have a proper factor of safety. Ropes used to hoist or lower coal and other materials shall have a factor of safety of not less than five (5) to one (1); ropes used to hoist or lower men shall have a factor of safety of not less than ten (10) to one (1). Load tests shall be made at least once each month and a record kept. The rope shall be replaced as soon as there is evidence of possible failure.

(9) Any rope attached to a cage, man-car, or trip used for hoisting or lowering men shall be provided with two (2) bridle chains or cables connected securely to the rope at least three (3) feet above the socket or thimble and to the crosspiece of the cage or to the man-car or trip.

(10) A certified hoistman shall be on the mine site of a shaft or slope mine when persons are underground, including fire bosses and pumpers on idle shifts, except when automatic, self-service facilities with all safety devices are provided.

SB 394, AN ACT relating to underground coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 352.150 is amended to read as follows:

(1) After June 16, 1972, on single-track haulage roads in mines, which the persons employed in the mine must use while performing their work or while traveling on foot to and from their work, there shall be places of refuge on one side not less than five feet in depth from the side of the mine car, and five feet wide, and not more than ninety feet apart. Refuge holes of the same dimensions shall also be provided at switch throws.

(2) Special places of refuge are not required on haulage roads on which room necks or breakthroughs occur at regular intervals not exceeding ninety feet, and thus furnish places of refuge, or on haulage roads in which the track is so laid as to give a minimum clearance on one side of not less than thirty inches from the side of any haulage engine or any mine car, the clearance to be on the side of the road opposite that upon which electric wires are strung, if electric wires are strung in the road.

(3) No unauthorized person shall travel on foot to or from work upon any haulage road or slope where transportation is by track, when other roads in proper condition for travel are available.

(4) On all main haulage roads where hauling is done by machinery the mine foreman shall provide a proper system of signals, and a conspicuous light or marker approved by the commissioner on the front and rear of every trip or train of cars when in motion in the mine.

(5) Man-trips shall be operated at safe speeds consistent with the condition of roads and type of equipment used and shall be so controlled that they can be stopped within the limits of visibility, in no event at a speed in excess of twelve miles per hour.

(6) Each man-trip consisting of more than one mine car of men shall be under the charge of a certified official, and it shall be operated independently of any loaded trip of coal or other material.

(7) Cars on the man-trip shall not be overloaded, and sufficient cars in good mechanical condition shall be provided.

(8) No person shall ride under the trolley wire unless suitably covered man-cars are used.

(9) No material or tools except small hand tools shall be transported in the same car with men on any man-trip unless in a separate, enclosed compartment of the car, and all persons shall ride inside of man-trip cars, except the motorman and brakeman or trip rider.

(10) Men shall not load or unload before the cars in which they are to ride or are riding come to a full stop, and men shall proceed in an orderly manner to and from man-trips.

(11) A waiting station shall be provided where men are required to wait for man-trips or man-cages. It shall have sufficient room, ample clearance from moving equipment, and adequate seating facilities.

(12) Trolley and power wires shall be guarded effectively at man-trip stations where there is a possibility of any person coming in contact with energized electric wiring while loading or unloading from the man-trip.

(13) Cars used for transporting men on slopes shall be equipped with a safety device capable of stopping the trip in event of failure of the rope or couplings. Such device shall be approved by the commissioner.

(14) Where belts are used for transporting men, a minimum clearance of eighteen inches shall be maintained between the belt and the roof or cross bars, projecting equipment, cap pieces, overhead cables, wiring, and other objects; but where the height of the coal bed permits, the clearance shall not be less than twenty-four inches.

(15) Unless a greater speed is allowed by special permission from the commissioner, in which event the conditions, limitations and rules imposed in connection with the grant of such permission shall be observed, the belt speed shall not exceed two hundred fifty feet per minute where the minimum overhead clearance is eighteen inches, or three hundred feet per minute when the minimum overhead clearance is twenty-four inches, while men are loading, unloading, or being transported.

(16) The space between men riding on a belt line shall not be less than six feet.

(17) Loading and unloading stations shall be illuminated properly.

(18) A certified official or some other supervisory personnel appointed by the mine foreman shall supervise all man-trips.

(19) Efficient equipment, either mobile or self-propelled, equipped with sufficient first-aid equipment and supplies, shall be available on all underground sections where men are present to transport injured workers to the surface.

(20) *At those mines that do not have a contract or other arrangement for providing ambulance service, a 4-wheel-drive vehicle or other vehicle suitable to the terrain equipped with sufficient first-aid equipment and supplies shall be available to the mines or preparation facilities for the transportation of injured workers. At those mines that have a contract or other arrangement for providing ambulance service, the access road to the mine or preparation facility shall be kept in such condition as to be passable by the ambulance vehicle.*

(21) The commissioner shall be empowered to draft additional rules and regulations providing for transportation of men when necessary.

Calendar

HB 617, HB 534, HB 600, HB 497, HB 684, HR 40, HR 66, SB 17, SB 107, SB 131, SB 150, SB 277, SB 291, SJR 41, and **HB 487** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Senate Message

Announcing passage of **SB 149, SB 267, SB 345, SB 346, SB 380, SB 385, SB 402, SB 404, HB 42** with Senate Amendment, **HB 296** with Senate Amendment, **HB 334** with Senate Amendment, **HB 426** with Senate Amendment, **HB 103, HB 120, HB 555,** and **HB 623.**

Recess

Representative LeMaster moved that the House recess for one hour for Democratic caucus. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day

HB 810, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 810** be passed.

Representative Rapier moved that **HB 810** be laid on the table.

On the roll call the vote was yeas 25-Allen, Bronger, Bruce, Caldwell, Curd, Ellington, Endicott, Ford, Freibert, Fryman, Haering, Harper, Holbrook, Layman, Lefevers, Lile, Little, Moore, Morris, Noland, Patrick, Rapier, Robinson, Schmidt, Todd. Nays 67-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Handy, Head, Heleringer, Hines, Johnson, T. Jones, Kenton, Kidd, LeMaster, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates.

The motion that **HB 810** be laid on the table was rejected.

Representative LeMaster moved that **HB 810** be laid on the Clerk's desk. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 103, HB 120, HB 191, HB 276, HB 358, HB 392, HB 500, HB 555, HB 578, HB 623,** and **HB 646** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time-11:30 a.m.)

HB 103, HB 120, HB 191, HB 276, HB 358, HB 392, HB 500, HB 555, HB 578, HB 623, and **HB 646** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HB 320, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved the adoption of the Floor Amendment No. 4 to **HB 320.** Agreed.

Representative Gray moved that **HB 320,** as amended, be passed.

On the roll call the vote was yeas 70-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, B. Smith, Stone, Stumbo, Thomason, Van Horn, Williams, Worthington, Yates. Nays 14-Allen, Endicott, Ford, Fryman, Holloway, Lefevers, Lile, Noland, Patrick, Rattliff, Robinson, Schmidt, Todd, Turner.

HB 320, as amended, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 320,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 538, by way of Committee Substitute and with Floor Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 538.** Agreed.

Representative Meyer moved that **HB 538,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 69-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Farrow, Gray, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates. Nays 13-Allen, Endicott, Ford, Fryman, Haering, Layman, Lefevers, Patrick, Rattliff, Robinson, Schmidt, Todd, Turner.

HB 538, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 538,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 471, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bronger moved that **HB 471** be passed.

On the roll call the vote was yeas 63-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Gray, Haering, Hancock, Handy, Head, Heleringer, Holbrook, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Maggard, Mann, McBee, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Worthington, Yates. Nays 15-Allen, Burnette, Caldwell, Ellington, Farrow, Ford, Feibert, Fryman, Holloway, T. Jones, Long, Patrick, Schmidt, Todd, Turner.

HB 471 was passed and the title agreed to.

Representative Bronger moved that the vote by which **HB 471** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 676, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of the Floor Amendment No. 1 to **HB 676.**

Representative Barrows inquired of the Chair whether Floor Amendment No. 1 was germane to **HB 676.**

The Speaker ruled Floor Amendment No. 1 was not germane to **HB 676.**

Representative Johnson moved that **HB 676** be passed.

On the roll call the vote was yeas 73-Arnold, Bennett, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Holbrook, Johnson, Kenton, Kidd, Layman, Lefevers, Lile, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Worthington, Yates. Nays 2-T. Jones, Tobin.

HB 676 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 676** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 701 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Richardson moved that **HB 701** be passed.

Speaker Pro Tempore Thomason presiding.

Representative Thomas moved that **HB 701** be laid on the Clerk's desk.

Representative T. Jones moved that the motion to lay **HB 701** on the Clerk's desk be laid on the table.

On the roll call the vote was yeas 45-Allen, Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Caldwell, Clark, Cline, Cyrus, Dawahare, Deskins, Donnermeyer, Ellington, Head, Heleringer, Johnson, R. Jones, T. Jones, Lile, Little, Long, Maggard, Mann, McNutt, Meyer, Moberly, Moore, Morris, Nett, Overstreet, Patrick, Rattliff, Riner, Robinson, Seum, F. Smith, Thomas, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 41-Arnold, Brinkley, Brown, Bruce, Burch, Burnette, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Handy, Harper, Holbrook, Holloway, Kenton, LeMaster, List, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, Stone, Thomason, Todd, Turner.

The motion that the motion to lay **HB 701** on the Clerk's desk be laid on the table was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 261** had been examined and found correctly enrolled. **SB 261** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 12:17 p.m.)

Orders of the Day (continued)

HB 722, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of the Floor Amendment No. 1 to **HB 722.** Agreed.

Representative B. Richardson moved that **HB 722,** as amended, be passed.

On the roll call the vote was yeas 94-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 722, as amended, was passed and the tile agreed to.

Representative B. Richardson moved that the vote by which **HB 722,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 52 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of **HJR 52.**

On the roll call the vote was yeas 96-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HJR 52 was adopted and the title agreed to.

Representative B. Richardson moved that the vote by which **HJR 52** was adopted be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative LeMaster moved that the House recess until 1:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

HR 78 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of **HR 78.**

HR 78 was adopted by voice vote.

Representative LeMaster moved that the vote by which **HR 78** was adopted be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **HB 463, SB 353, SB 369, SB 374, SB 383, HB 166** with Senate Amendment, **HB 172** with Senate Amendment, **HB 215** with Senate Amendment, **HB 402** with Senate Amendment, **HB 468** with Senate Amendment, **HB 478** with Senate Amendment, **HB 133, HB 196, HB 239, HB 269, HB 328, HB 425, HB 467, HB 479, HB 501, HB 543, HB 565, HB 594, HB 595, HB 632, HB 756,** and **HCR 47.**

Orders of the Day (continued)

HB 704 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved that **HB 704** be passed.

On the roll call the vote was yeas 42-Arnold, Bendl, Bennett, Blevins, Bronger, Burch, Clark, Clarke, Cowan, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Gray, Hancock, Handy, Hines, Kenton, Kidd, LeMaster, Little, Long, Maggard, Mann, McBee, Meyer, Noe, O'Brien, Perkins, Priddy, Rapier, Richards, B. Richardson, F. Smith, Stone, Stumbo, Thomas, Van Horn, Williams, Yates. Nays 43-Barrows, Blandford, Boswell, Brinkley, Bruce, Burnette, Caldwell, Craddock, Crupper, Dawahare, Endicott, Ford, Foster, Fryman, Guenthner, Haering, Harper, Head, Heleringer, Johnson, Layman, Lefevers, Lile, List, McNutt, Moberly, Moore, Morris, Nett, Noland, Overstreet, Patrick, Petty, Rattliff, Riner, Robinson, Schmidt, Seum, B. Smith, Tobin, Todd, Turner, Worthington.

HB 704 was defeated.

HB 753, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Floor Amendment No. 1 to **HB 753.** Agreed.

Representative Richards moved that **HB 753,** as amended, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Johnson, T.Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 10-Bruce, Burch, Caldwell, J. Clarke, Donnermeyer, Haering, Harper, Mann, Robinson, Schmidt.

HB 753, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 753,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 681, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Floor Amendment No. 1 to **HB 681.** Agreed.

Representative Noe moved that **HB 681,** as amended, be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Burnette, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Endicott, Farrow, Freibert, Hancock, Handy, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 12-Brinkley, Bruce, Caldwell, Clapp, Clarke, Dunn, Haering, Harper, Morris, Patrick, Schmidt, Turner.

HB 681, as amended, was passed and the title agreed to.

HB 718 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative White moved that **HB 718** be passed.

On the roll call the vote was yeas 83-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, McBee, McNutt, Meyer, Moore, Morris, Nett, Noe, Noland, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Clarke.

HB 718 was passed and the title agreed to.

Representative White moved that the vote by which **HB 718** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 670, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Floor Amendment NO. 1 to **HB 670.** Agreed.

Representative R. Jones moved that **HB 670,** as amended, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Morris, Nett, Noland, Overstreet, Perkins, Petty, Priddy, Rapier, Schmidt, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 18-Barrows, Burnette, Clark, Clarke, Ford, Freibert, Fryman, Johnson, Moberly, Moore, O'Brien, Patrick, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith.

HB 670, as amended, was passed and the title agreed to.

Representative R. JOnes moved that the vote by which **HB 670,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 160 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved that **SB 160** be passed.

On the roll call the vote was yeas 82-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Patrick, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 160 was passed and the title agreed to.

Representative Kidd moved that the vote by which **SB 160** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 34, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Amendment No. 1 to **HB 34.** Agreed.

Representative Clarke moved that **HB 34,** as amended, be passed.

On the roll call the vote was yeas 86-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

HB 34, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 34,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 460, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Brown moved the adoption of the Committee Substitute to **HB 460.** Agreed.

Representative Brown moved that **HB 460,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 82-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce; Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

HB 460, by way of Committee Substitute, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 460,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 546 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **HB 546** be passed.

On the roll call the vote was yeas 89-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 546 was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 546** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 573 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 573** be passed.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Handy, Head, Hines, Holbrook, Johnson, T. JOnes, Kenton, Kidd, Lefevers, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 15-Bruce, Caldwell, Endicott, Ford, Freibert, Fryman, Guenthner, Haering, Harper, Heleringer, Lile, Moore, Morris, Patrick, Van Horn.

HB 573 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 573** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 668 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 668** be passed.

On the roll call the vote was yeas 87-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Fryman, Patrick.

HB 668 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 668** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 738 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Brinkley moved that **HB 738** be passed.

On the roll call the vote was yeas 41-Bendl, Blandford, Boswell, Brinkley, Bronger, Bruce, Clapp, Clark, Craddock, Curd, Dunn, Foster, Haering, Hancock, Handy, Head, Hines, Holbrook, Kidd, LeMaster, List, Little, McBee, McNutt, Meyer, Morris, Nett, O'Brien, Patrick, Perkins, Priddy, B. Richardson, P. Richardson, F. Smith, Stone, Thomas, Thomason, Van Horn, White, Williams, Yates. Nays 44-Arnold, Barrows, Blevins, Brown, Burch, Burnette, Caldwell, Clarke, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Harper, Heleringer, T. Jones, Layman, Lefevers, Lile, Long, Lundergan, Maggard, Mann, Moberly, Moore, Noe, Noland, Overstreet, Petty, Rapier, Rattliff, Riner, Schmidt, Tobin, Todd, Turner, Worthington.

HB 738 was defeated.

HCR 6, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Committee Amendment No. 1 to **HCR 6.** Agreed.

Representative Worthington moved the adoption of the Committee Amendment No. 2 to **HCR 6.** Agreed.

Representative Worthington moved that **HCR 6,** as amended, be passed.

HCR 6, as amended, was adopted by voice vote.

Representative Worthington moved that the vote by which **HCR 6,** as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 36 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved the adoption of **HJR 36.**

HJR 36 was adopted by voice vote.

Representative Freibert moved that the vote by which **HJR 36** was adopted be reconsidered and said motion be placed on the table. Agreed.

The Speaker declared a call of the roll necessary for adoption of **HJR 36.**

Representative Freibert moved that the clincher motion on **HJR 36** be removed. Agreed.

Representative Freibert moved that the vote on **HJR 36** be reconsidered. Agreed.

On the roll call the vote was yeas 88-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HJR 36 was adopted and the title adopted to.

Representative Freibert moved that the vote by which **HJR 36** was adopted be reconsidered and said motion be placed on the table. Agreed.

HR 65 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative F. Smith moved the adoption of **HR 65.**

HR 65 was adopted by voice vote.

Representative F. Smith moved that the vote by which **HR 65** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 72 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved the adoption of **HJR 72.**

On the roll call the vote was yeas 88-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HJR 72 was adopted and the title agreed to.

Representative Freibert moved that the vote by which **HJR 72** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 80 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McNutt moved the adoption of **HCR 80.**

On the roll call the vote was yeas 88-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 0.

HCR 80 was adopted and the title agreed to.

Representative McNutt moved that the vote by which **HCR 80** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 241, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Committee Amendment No. 1 to **SB 241.** Agreed.

Representative Mann moved that **SB 241,** as amended, be passed.

On the roll call the vote was yeas 89-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 241, as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **SB 241,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 177, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 177** be passed.

On the roll call the vote was yeas 64-Arnold, Barrows, Bendl, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Holbrook, Holloway, Johnson, R. Jones, Layman, Lefevers, LeMaster, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Overstreet, Patrick, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, White, Williams, Worthington. Nays 18-Bennett, Blevins, Brown, Caldwell, Dunn, Ford, Fryman, Haering, Harper, Heleringer, T. Jones, Kenton, Lile, List, Moore, Schmidt, Turner, Van Horn.

SB 177 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 177** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 285 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blandford moved that **SB 285** be passed.

On the roll call the vote was yeas 83-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moore, Nett, Noe, Noland, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 285 was passed and the title agreed to.

Representative Blandford moved that the vote by which **SB 285** was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thomason presiding.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 133, HB 196, HB 239, HB 269, HB 298, HB 328, HB 425, HB 463, HB 467, HB 479, HB 501, HB 543, HB 565, HB 594, HB 595, HB 632, HB 756,** and **HCR 47** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:45 p.m.)

Orders of the Day (continued)

SB 271, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved the adoption of the Committee Substitute to **SB 271.** Agreed.

Representative Morris moved that **SB 271,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 73-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Handy, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, White, Williams, Worthington, Yates. Nays 7-Caldwell, Crupper, Fryman, Hancock, Patrick, Perkins, Van Horn.

SB 271, by way of Committee Substitute, was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 271** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 200, with Senate Amendment attached thereto, taken from Orders of the Day, Representative LeMaster moved that it be placed uponits passage. Agreed by a majority of members elected.

Representative Yates moved that the House concur in the following Senate Amendment No. 1 to **HB 200:**

Amend printed copy of **HB 200** as follows:

On page 1, line 7 by adding after the word "interest" the following:

"*. Any member of the general assembly who serves on a state administrative board or commission shall receive no compensation for serving on such board or commission other than his expenses, unless it is required by law that the membership of the board or commisison include a member of the general assembly, in which case he shall receive the same compensation in the same manner as any other member of the board or commission*"

The motion that the House concur in the Senate Amendment No. 1 to **HB 200** was adopted by voice vote.

Representative LeMaster moved that **HB 200,** as amended by the Senate, be passed.

On the roll call the vote was yeas 66-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Hancock, Hines, Holbrook, Johnson, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moore, Nett, Noland, O'Brien, Patrick, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 1-Heleringer.

HB 200, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 200,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 357, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative B. Smith moved that the House concur in the following Senate Amendment No. 1 to **HB 357:**

Amend printed copy of **HB 357** as follows:

On page 1, line 14 by placing brackets "[ ]" around "six month"

and on page 1, line 13, after the word "preceding" insert the phrase "*two (2) year*"

Agreed.

Representative LeMaster moved that **HB 357,** as amended by the Senate, be passed.

On the roll call the vote was yeas 63-Barrows, Bendl, Boswell, Bronger, Bruce, Burch, Burnette, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams. Nays 11-Blevins, Brinkley, Caldwell, Endicott, Fryman, Layman, Moore, Patrick, Robinson, Stone, Worthington.

HB 357, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 357,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 119, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that the House concur in the following Senate Amendment No. 1 to **HB 119.** Agreed.

Amend printed copy of **HB 119** as follows:

On page 1, line 9, by inserting after "*years*" the following: "*, if the system provides a defined benefit*".

Representative LeMaster moved that **HB 119,** as amended by the Senate, be passed.

On the roll call the vote was yeas 74-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Crupper, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, White, Williams, Worthington, Yates. Nays 1-Van Horn.

HB 119, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 119,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 83, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Blandford moved that the House concur in the following Senate Amendment No. 2 to **HB 83:**

Amend printed copy of **HB 83** as follows:

On pages 2 and 3, by deleting section 3, section 4, and section 5 in their entirety.

Agreed.

Representative Blandford moved that the House concur in the following Senate Amendment No. 3 to **HB 83:**

Amend printed copy of **HB 83** as follows:

On page 1, line 20, by inserting after the word "*season*" the words "*from September 1 to December 1, and the licensing of buyers*";

On page 2, lines 6-7, delete language "*be no more. . . requirements*";

On page 2, line 6, add after "shall" "*satisfy minimum federal requirements*";

On page 2, line 10, by adding after the word "*wild*" the words "*ginseng on posted land*"; and

On page 2, line 11, by adding before the word "*permission*" the words "*dated written*"; and

On page 2, line 12, by adding after the word "*landowner*", the words "*to be valid only for that harvest season*; and

On page 2, line 18, by inserting after the word "*population*" the language "*and the licensing of dealers.*"

Representative Little moved that Senate Amendment No. 3 to **HB 83** be laid on the table.

On the roll call the vote was yeas 12-Bennett, Burch, Cyrus, Donnermeyer, Ford, Fryman, Lile, Little, Maggard, Noe, Patrick, Perkins. Nays 59-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Dawahare, Dunn, Farrow, Foster, Freibert, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Long, Mann, McBee, Meyer, Moberly, Morris, Noland, O'Brien, Petty, Priddy, Rattliff, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Thomas, Thomason, Turner, Van Horn, White, Williams, Yates.

The motion that Senate Amendment No. 3 to **HB 83** to laid on the table was rejected.

Representative Maggard moved that Senate Amendment No. 3 to **HB 83** be laid on the Clerk's desk.

Representative Maggard moved that the motion to lay Senate Amendment No. 3 to **HB 83** on the Clerk's desk be withdrawn. Agreed.

Representative Blandford moved that the motion to concur in Senate Amendment No. 3 to **HB 43** be withdrawn. Agreed.

Representative Blandford moved thatthe vote on Senate Amendment No. 2 to **HB 83** be reconsidered. Agreed.

Representative Blandford moved that the House request the Senate to recede from Senate Amendment No. 3 to **HB 83.** Agreed.

Representative LeMaster moved that the House refuse to concur in Senate Amendment No. 2 to **HB 83** and ask the Senate to recede. Agreed.

HB 143, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that the House concur in the following Senate Committee Substitute to **HB 143.**

HB 143, AN ACT relating to horse racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.220 is amended to read as follows:

(1) There is hereby created the Kentucky state racing commission which shall be an independent agency of state government. The commission shall consist of *nine (9)* [~~five (5)~~] members *seven (7)* [~~all~~] of whom shall be appointed by the governor. *One (1) member shall be appointed by the president pro tempore of the senate and one (1) member shall be appointed by the speaker of the house of representatives. In making appointments, the governor shall secure broad representation within the thoroughbred industry, to include appointment of no fewer than two (2) breeders, no fewer than two (2) horsemen, and the geographic areas in which licensed racing associations are located shall be considered. Recommendations for said appointments shall be sought from various industry groups, to include the Kentucky thoroughbred owners and breeders, the Kentucky division of the horsemen's benevolent and protective association, and other interested organizations.* [~~Not less than three (3) of the members shall be breeders of thoroughbred horses in Kentucky, no two (2) of the members shall be directors of the same racing association and~~] At least one (1) of the members *appointed by the governor* shall have no financial interest in the business or industry

regulated. *The seven (7) members appointed by the governor shall serve a term beginning July 1, 1982 and ending January 1, 1984, or shall serve until their successors are appointed and duly qualified. Thereafter, the seven (7) members appointed by the governor shall serve a term of four (4) years or until their successors are appointed and duly qualified. The members appointed by the president pro tem of the senate and the speaker of the house shall serve a term of four (4) years beginning July 1, 1982, and shall serve until their successors are appointed and duly qualified.* [~~Commissioners shall be appointed for a term of four (4) years and until their successors are appointed and qualified.~~] Any vacancy on the commission shall be filled *pursuant to the requirements and procedures for original appointments* [~~by the governor for the unexpired term. Each commissioner shall be eligible for reappointment in the discretion of the governor~~]. Commissioners shall receive fifty dollars ($50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The commission shall designate one (1) of their number as chairman and another as vice chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(2) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of such offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be permitted to attend any meetings. A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

Section 2. KRS 230.240 is amended to read as follows:

(1) In addition to the employes referred to in KRS 230.230, the commission may employ, at reasonable compensation, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, guards and other employes deemed by the commission to be essential at or in connection with any thoroughbred race meeting and to the best interest of racing. The commission for the purpose of maintaining integrity and honesty in racing shall prescribe by rule the powers and duties of the persons employed under this section *and qualifications necessary to competently perform their duties. In addition, the commission shall be responsible for seeing that racing officials employed under the provisions of this section shall have adequate training to perform their duties in a competent manner.*

(2) The commission shall promulgate rules and regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate, and in connection therewith the commission is authorized to acquire, operate and maintain, or to provide by contract for the maintenance and operation of, a testing laboratory and related facilities, for the purpose of saliva, *urine* [~~urinal~~] or other tests, and to purchase supplies and equipment for and in connection with such laboratory or testing processes. The expense of the laboratory or other testing processes, whether furnished by contract or otherwise, together with all supplies and equipment used in connection therewith, shall be paid by the various associations licensed under KRS 230.210 to 230.360 in such manner and in such proportions as the commission may by rule provide.

(3)[~~(2)~~] The compensation of the employes referred to in this section shall be paid by the licensee conducting the thoroughbred race meeting in connection with which said employes are utilized or employed. The salary of the secretary to the commission shall be prorated among and paid by the various associations licensed under KRS 230.210 to 230.360 in the manner as the commission may, by rule, provide. The employes referred to in this section shall be deemed employes of the commission, and are paid by the licensee or association for convenience only.

(4)[~~(3)~~] Each person, as a condition precedent to the privilege of receiving a license under KRS 230.210 to 230.360 to conduct a thoroughbred race meeting, shall be deemed to have agreed that it will pay such expenses and compensation as provided in this section and as may be actually and reasonably incurred.

Section 3. KRS 230.260 is amended to read as follows:

The commission, in the interest of breeding or the improvement of the breed of thoroughbred horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of KRS 230.210 to 230.360 including, but without limitation, the following:

(1) The commission is vested with jurisdiction and supervision over all thoroughbred race meetings in this Commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof, any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of thoroughbred racing or appaloosa racing or interfere with the orderly conduct of thoroughbred racing or appaloosa racing at thoroughbred race meetings; provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;

(2) The commission, its representatives and employes, may visit, investigate and have free access to the office, track, facilities or other places of business of any licensee for the purpose of satisfying itself that KRS 230.210 to 230.360 and its rules and regulations are strictly complied with;

(3) The commission shall have full authority to prescribe *necessary and reasonable* rules, regulations and conditions under which thoroughbred horse racing and appaloosa racing at a thoroughbred race meeting shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any thoroughbred race meeting, *except that the commission shall not prefer by regulation or otherwise any licensees in their contractual relations with one another*;

(4) Applications for licenses shall be made in the form, in the manner and contain information as the commission may, by rule, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the commission;

(5) Any of the foregoing rules, regulations and conditions may be altered, amended, repealed and published from time to time. All rules, regulations and conditions shall become effective thirty (30) days after the filing thereof with the Legislative Research Commission unless the governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the Legislative Research Commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing;

(6) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to such witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties. Any person failing to appear before the commission at the time and place specified in said summons, or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both. False swearing on the part of any witness shall be deemed perjury and punished as such.

(7) The commission shall have authority to compel any racing association licensed under KRS 230.210 to 230.360 to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

Section 4. KRS 230.320 is amended to read as follows:

(1) Every license granted under KRS 230.210 to 230.360 is subject to revocation or suspension by the commission in any case where it has reason to believe that any provision of KRS 230.210 to 230.360 or rule, regulation or condition of the commission affecting it has not been complied with or has been broken or violated. The commission in the interest of honesty and integrity of thoroughbred horse racing and appaloosa horse racing may prescribe rules and regulations under which any license may be denied, suspended or revoked.

(2) *Any person alleged to have committed a violation under subsection (1) of this section may request a stay of imposition of the stewards' sanction. Pending appeal, a hearing on such request for stay shall be held within forty-eight (48) hours of the receipt of the request for a stay by the commission. In the event the commission is not able to hold a hearing within forty-eight (48) hours, the stay shall be automatically granted. It shall be the policy of the commission to grant stays, unless:*

(a) In any case where a licensee is alleged to have committed a flagrant violation of the prescribed rules and regulations of racing which presents a clear and present danger to the immediate integrity of racing, and

(b) Wherein it is impossible for the commission to secure necessary scientific evidence or indispensable witnesses within forty-eight (48) hours, then the commission or its designated hearing officer may refuse a request for the stay of any penalty imposed, as long as a hearing is held no later than thirty (30) days from the initial stewards' determination of a violation.

(3) If any license is denied, suspended or revoked the commission shall state publicly its reasons for the suspension or revocation and shall cause an entry of such reasons to be made on its record book. The action of the commission in denying, suspending or revoking any license issued under KRS 230.210 to 230.360 is final except that such action is subject to review by any court of competent jurisdiction. The action of the commission shall remain in full force and effect until reversed or modified by a valid order of such court.

SECTION 5. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a panel, to be known as the Kentucky equine drug research council, to advise the commission on the conduct of equine drug research and testing commissioned by the state racing commission. The council shall consist of seven (7) members: a veterinarian appointed by the Kentucky association of equine veterinarians, a horseman appointed by the Kentucky division of the horsemen's benevolent and protective association, a pharmacologist appointed by the University of Kentucky, a thoroughbred breeder appointed by the Kentucky thoroughbred owners and breeders, a legislator appointed by the legislative research commission, a representative of a licensed racing association and a member of the state racing commission, appointed by the chairman of the state racing commission, to serve as chairman. The council shall meet at the call of the chairman, a majority of the council or at the request of the commission. Members shall serve at the pleasure of their respective sponsoring organizations and shall receive no compensation for serving.

(2) The Kentucky equine drug research council shall review equine drug research and testing research being conducted at the University of Kentucky or with state funds and shall review and report to the commission on drug research and testing research being conducted elsewhere. The council shall advise the commission and make recommendations for establishing an effective drug regulatory policy for Kentucky racing. In addition, the council shall report to the 1984 general assembly any needed changes regarding the regulation of drugs in thoroughbred racing in the Commonwealth of Kentucky.

(3) The commission shall receive one-tenth of one percent (.1%) of the total amount wagered in Kentucky deducted from the pari-mutuel tax levied in KRS 138.510 to be used in financing drug research and testing research in Kentucky, which shall be in addition to any funds appropriated to the commission for such purposes in the executive budget.

Section 6. KRS 230.361 is amended to read as follows:

(1) The commission shall adopt rules governing and regulating mutuel wagering on thoroughbred races and Appaloosa races at a thoroughbred race meeting under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under KRS 230.210 to 230.360 to conduct a thoroughbred race meeting and only upon the licensed premises [~~and on the dates and hours for which racing has been authorized by the commission~~]. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) *Other provisions of KRS notwithstanding, the commission shall permit a licensed association to conduct pari-mutuel wagering on racing conducted at another licensed association in the Commonwealth. Such wagering shall form a common pool with wagering conducted by the association conducting the racing. The commission shall also permit licensed associations to conduct pari-mutuel wagering on special event races conducted in other states or foreign countries, which are determined to be of sufficient national or international significance or interest to warrant interstate wagering. All such wagering shall form a common pool and shall be conducted in accordance with applicable federal law.*

(3) The take-out for pari-mutuel wagering conducted under subsection (2) of this section shall be an amount equal to that withheld under the provisions of KRS 138.515. Gross revenues retained from such wagering, after payment of the pari-mutuel tax only, shall be applied to purses in the same percent ratio as gross revenues from on-track pari-mutuel wagering, after payment of the pari-mutuel tax only, are applied to purses. Remaining revenues shall be apportioned by contractual agreement between the association conducting the racing and the association conducting the wagering under subsection (2). The pari-mutuel tax credit permitted in Section 8 of this Act shall not apply to pari-mutuel wagering conducted under subsection (2) of this section.

(4) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under KRS 230.350.

(5)[~~(3)~~] All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at thoroughbred race meetings shall be presumed abandoned if not claimed by the person entitled thereto within two (2) years from the time the ticket became payable.

Section 7. KRS 230.400 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky state racing commission, designated as the Kentucky thoroughbred development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the Kentucky thoroughbred development fund shall be distributed by the treasurer for the purposes herein provided upon authorization of the Kentucky state racing commission and upon approval of the secretary of the executive department for finance and administration. *Money from the Kentucky thoroughbred development fund shall be allocated to each licensed association in an amount equal to the amount the association contributed to the fund.* Money to the credit of the Kentucky thoroughbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) There is hereby established, under the general jurisdiction of the Kentucky state racing commission, a Kentucky thoroughbred development fund advisory committee. The advisory committee shall consist of five (5) members, all of whom shall be residents of Kentucky, to be appointed by the chairman of the Kentucky state racing commission by July 1 of each year. The committee shall consist of two (2) thoroughbred breeders recommended by *the Kentucky* Thoroughbred *Owners and* Breeders [~~of Kentucky~~], Inc.; one (1) thoroughbred owner recommended by the Kentucky division of the horsemen's benevolent and protective association; one (1) officer or director of a licensed association conducting thoroughbred racing in Kentucky, recommended by action of all of the licensed associations conducting thoroughbred racing in Kentucky; and one (1) member of the Kentucky state racing commission. If any member other than the commission member has not been recommended for appointment by July 1 of each year, the chairman of the Kentucky state racing commission shall make an appointment for the organization or organizations failing

to so recommend a member of the committee. The members of the advisory committee shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business. The advisory committee shall select from its membership annually a chairman and a vice chairman.

(3) (a) The Kentucky thoroughbred development fund committee shall advise and assist the Kentucky state racing commission in the development of the supplemental purse program provided herein for Kentucky bred thoroughbreds, shall make recommendations to the commission from time to time with respect to the establishment of guidelines, rules and regulations for the provision of such supplemental purses, the amount thereof, the races for which such purses are to be provided and the conditions thereof, manner and method of payment of such supplemental purses, registry of thoroughbred stallions standing within the Commonwealth of Kentucky, registry of Kentucky bred thoroughbreds for purposes of this section, nature and type of forms and reports to be employed and required in connection with the establishment, provision for, award and payment of such supplemental purses and with respect to all other matters necessary in connection with the carrying out of the intent and purposes of this section.

(b) The Kentucky state racing commission shall employ such qualified personnel as may be required to assist the commission and the advisory committee in carrying out the provisions of this section. Such persons shall serve at the pleasure of the commission and compensation for such personnel shall be fixed by the commission. The compensation of such personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the Kentucky thoroughbred development fund.

(4) The Kentucky state racing commission, with the advice and assistance of the Kentucky thoroughbred development fund advisory committee, shall use the Kentucky thoroughbred development fund to promote, enhance, improve and encourage the further and continued development of the thoroughbred breeding industry in Kentucky by providing, out of the Kentucky thoroughbred development fund, supplemental purses for designated stakes, handicap, allowance and non-claiming maiden races contested at licensed thoroughbred race meetings in Kentucky, the awarding and payment of which supplemental purses shall be conditioned upon the winning or placing in such races by Kentucky bred thoroughbred horses. Any supplemental purse provided for a designated race shall be apportioned among the winning and placing horses in the same proportion as the stake or purse provided for such race by the racing association. Winning or placing as used in this section shall include those horses finishing first, second, third and fourth in such races. That portion of the supplemental purse provided for any such designated race for a winning or placing finish shall be awarded and paid to the owner of the horse so finishing only if such horse is a Kentucky bred thoroughbred duly registered as such with the official registrar. Any portion of the supplemental purse which is not awarded and paid over shall be returned to the Kentucky thoroughbred development fund.

(5) (a) For purposes of this section, the term Kentucky thoroughbred stallion shall mean and include only a thoroughbred stallion standing the entire breeding season in Kentucky and registered as a Kentucky thoroughbred stallion with the official registrar of the Kentucky thoroughbred development fund.

(b) Except for thoroughbred horses foaled prior to January 1, 1980, the term Kentucky bred thoroughbreds for purposes of this section, shall mean and include only thoroughbred horses sired by Kentucky thoroughbred stallions foaled in Kentucky and registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(c) Any thoroughbred horse foaled prior to January 1, 1980, may qualify as a Kentucky bred thoroughbred for purposes of this section if such horse was foaled in Kentucky and if the sire of such thoroughbred was standing at stud within Kentucky at the time of conception of such thoroughbred, provided such thoroughbred is duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(d) In order for an owner of a Kentucky sired thoroughbred to be eligible to demand, claim and receive a portion of a supplemental purse provided by the Kentucky thoroughbred development fund, the thoroughbred horse winning or placing in a designated race for which a supplemental purse has been provided by the Kentucky thoroughbred development fund must have been duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund prior to entry in such race.

(6) (a) *Kentucky* Thoroughbred *Owners and* Breeders [~~of Kentucky~~], Inc., is hereby recognized and designated as the sole official registrar of the Kentucky thoroughbred development fund for the purposes of registering Kentucky thoroughbred stallions and Kentucky bred thoroughbreds in accord with the terms of this section and such rules and regulations as may be promulgated by the Kentucky state racing commission. When a Kentucky bred thoroughbred is registered with the official registrar, the registrar shall be authorized to stamp the Jockey Club certificate issued for such thoroughbred with the seal of the registrar, certifying that the said thoroughbred is a duly qualified and registered Kentucky bred thoroughbred for purposes of this section. The registrar may establish and charge, with the approval of the commission, reasonable registration fees for its services in the registration of Kentucky thoroughbred stallions and in the registration of Kentucky bred thoroughbreds. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.

(b) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion or thoroughbred as a Kentucky stallion or as a Kentucky bred thoroughbred shall have the right to file with the commission, within thirty (30) days of such failure or refusal of the registrar, petition seeking registration of such thoroughbred. The commission shall promptly hear the matter de novo and issue its order directing the official registrar to register or not to register as it may be determined by the commission.

(7) The Kentucky state racing commission shall adopt such rules and regulations as may be necessary to carry out the provisions and purposes of this section, including the adoption of such rules and forms as may be appropriate for the proper registration of Kentucky stallions and Kentucky bred thoroughbreds with the official registrar, and shall administer the Kentucky thoroughbred program created hereby in a manner best designed to promote and aid in the further development of the thoroughbred breeding industry in Kentucky, to upgrade the quality of thoroughbred racing in Kentucky and to improve the quality of thoroughbred horses bred in Kentucky.

Section 8. KRS 138.510 is amended to read as follows:

(1) An excise tax is imposed on every person, corporation or association which operates a running horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to four and three-fourths percent (4 ¾%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. *From the effective date of this Act until June 30, 1985, tracks with a daily average handle of less than $900,000 shall receive a tax credit amounting to three percent (3%) of money wagered, to be allocated by contractual agreement between the qualified tracks and the horsemen's benevolent and protective association.* [~~Until July 1, 1979, one-nineteenth (1/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400. From July 1, 1979, until June 30, 1980, two-nineteenths (2/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400. From and after June 30, 1980,~~] Three-nineteenths (3/19) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400.

(2) An excise tax is imposed on every person, corporation or association which operates a *standardbred* [~~trotting~~] horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to five percent (5%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. One-fifth (1/5) of all amounts received by reason of such tax shall be set aside by the department of revenue and shall be deposited in the Kentucky standardbred development fund created and described in KRS 230.770. *From July 15, 1982, until June 30, 1985, tracks with a daily average of less than three hundred thousand dollars ($300,000) shall receive a tax credit of two percent (2%) of all money wagered, to be allocated to the tracks for capital improvements. Said capital improvements shall be approved by the harness racing commission.*

Section 9. Whereas, the legislature declares that appointments made in Section 1 should be effective at the beginning of the fiscal year, an emergency is declared to exist and Section 1 of this Act shall become effective upon its passage and signature of the Governor.

Representative Patrick moved that **HB 143** be laid on the Clerk's desk.

On the roll call the vote was yeas 16-Barrows, Burnette, Caldwell, Endicott, Ford, Johnson, Lefevers, Lile, Little, Moberly, Moore, Patrick, Riner, Robinson, Thomason, Todd. Nays 57-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Freibert, Gray, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, List, Lundergan, Maggard, Mann, McBee, Meyer, Morris, Nett, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Turner, Van Horn, White, Yates.

The motion that **HB 143** be laid on the Clerk's desk was rejected.

Representative Burch moved that the House concur in the Senate Committee Substitute to **HB 143.** Agreed.

Representative Burch moved that **HB 143,** by way of Senate Committee Substitute, be passed.

On the roll call the vote was yeas 59-Arnold, Barrows, Bendl, Bennett, Blevins, Brinkley, Bronger, Burch, Clapp, Clark, Clarke, Cowan, Crupper, Cyrus, Dawahare, Donnermeyer, Dunn, Freibert, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, Lungergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Van Horn, White, Yates. Nays 21-Blandford, Boswell, Bruce, Burnette, Caldwell, Craddock, Endicott, Farrow, Ford, Hancock, Johnson, Lefevers, Little, Moore, Noe, Patrick, Rattliff, Riner, Robinson, Thomason, Todd.

HB 143, by way of Senate Committee Substitute, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 143,** by way of Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 2 to **HB 295,** by Representative Guenthner:

Amend printed copy of **HB 295** page 39, line 6, by adding the following:

The University of Kentucky and the University of Louisville shall contract for an annual exhibition or regular season game between those two universities' varsity basketball and football teams. The site of the same shall alternate between those two universities' athletic facilities.

A seventeen (17) member committee consisting of the head coaches, presidents and athletic directors of the two universities or their designees, three (3) members of the Senate appointed by the President Pro Tempore, three (3) members of the House of Representatives appointed by the Speaker, and three (3) at-large members appointed by the Governor is established to assist the University of Kentucky and the University of Louisville in negotiating a contract for the initial contest and in planning ancillary festivities.

The committee shall elect a chairman at its first meeting, which shall be no later than thirty (30) days after appointment of the members.

The proceeds shall be equally divided between the universities, deposited into the General Fund and credited to those universities' general accounts.

Floor Title Amendment to **HB 314,** by Representative Guenthner:

Amend printed copy of **HB 314,** page 1 by deleting the title and inserting in lieu thereof: "AN ACT relating to education".

Floor Amendment No. 1 to **HB 314,** by Representative Guenthner:

Amend printed copy of **HB 314,** page 8, after line 12, by adding the following:

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The University of Kentucky and the University of Louisville shall contract for an annual contest between those two universities' varsity basketball and football teams. The annual contest shall be an exhibition or regular season game and the site of the game shall alternate between those two universitites' athletic facilities.

(2) A seventeen (17) member committee is hereby established to assist the University of Kentucky and the University of Louisville in negotiating a contract for the initial contest and in planning ancillary festivities.

(3) The membershipof the committee shall consist of:

(a) The head coaches, presidents and athletic directors of the two universities or their designees;

(b) Three (3) members of the Senate appointed by the President Pro Tempore;

(c) Three (3) members of the House of Representatives appointed by the Speaker; and

(d) Three (3) at-large members appointed by the Governor.

(4) The committee shall elect a chairman at its first meeting, which shall be no later than thirty (30) days after appointment of the members.

Section 4. The proceeds shal be equally divided between the universitites, deposited into the General Fund and credited to those universities general accounts.

Floor Amendment No. 1 to **HB 622,** by Representative Guenthner:

Amend printed copy of **HB 622,** page 30, after line 6, by adding the following:

SECTION 26. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The University of Kentucky and the University of Louisville shall contract for an annual contest between those two universities' varsity basketball and football teams. The annual contest shall be an exhibition or regular season game and the site of the game shall alternate between those two universities' athletic facilities.

(2) A seventeen (17) member committee is hereby established to assist the University of Kentucky and the University of Louisville in negotiating a contract for the initial contest and in planning ancillary festivities.

(3) The membership of the committee shall consit of:

(a) The head coaches, presidents and athletic directors of the two universities or their designees;

(b) Three (3) members of the Senate appointed by the President Pro Tempore;

(c) Three (3) members of the House of Representatives appointed by the Speaker; and

(d) Three (3) at-large members appointed by the Governor.

(4) The committee shall elect a chairman at its first meeting, which shall be no later than thirty (30) days after appointment of the members.

Section 27. The proceeds shall be equally divided between the universitites, deposited into the General Fund and credited to those universities general accounts.

Floor Amendment No. 2 to **HB 722,** by Representative Guenthner:

Amend printed copy of **HB 722,** page 4, following line 11, by adding the following:

SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The University of Kentucky and the University of Louisville shall contract for an annual contest between those two universities' varisty basketball and football teams. The annual contest shal be an exhibition or regular season games and the site of the game shall alternate between those two universities' athletic facilities.

(2) A seventeen (17) member committee is hereby established to assist the University of Kentucky and the University of Louisville in negotiating a contract for the initial contest and in planning ancillary festivities.

(3) The membership of the committee shall consist of:

(a) The head coaches, presidents and athletic directors of the two universities or their designees;

(b) Three (3) members of the Senate appointed by the President Pro Tempore;

(c) Three (3) members of the House of Representatives appointed by the Speaker; and

(d) Three (3) at-large members appointed by the Governor.

(4) The committee shall elect a chairman at its first meeting, which shall be no later than thirty (30) days after appointment of the members.

Section 10. The proceeds shall be equally divided between the universities, deposited into the General Fund and credited to those universities general accounts.

Floor Amendments Nos. 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48 and 49 to **HB 816,** by Representative Hancock:

Amend printed copy of **HB 816,** page 8, line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections (2) and (3) of Section 1 of this Act, the sum of $68,000,000 and such sum is hereby appropriated to the Department for Military Affairs to be used to fund the Vietnam Veteran's Bonus program.

Amend printed copy of **HB 816** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $4,000,000 for fiscal year 1982-83 and $5,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department for Human Resources, Bureau for Health Services, to be used to fund the Detoxification Center Program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $1,000,000 for fiscal year 1982-83 amd $8,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Corrections to be used to fund the Juvenile Code program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $10,000,000 for fiscal year 1982-83 and $10,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Education to be used to fund the School Fees program.

Amend printed copy of **HB 816** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $7,000,000 for fiscal year 1982-83 and $7,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Education to be used to fund the Five-Year Textbook program.

Amend printed copy of **HB 816,** page 8 after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $600,000 for fiscal yera 1982-83 and $750,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Justice, Bureau of State Police, to be used to fund the Additional State Police program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $600,000 for fiscal year 1982-83 and $750,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Justice, Bureau of State Police, to be used to fund the Additional State Police program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $375,000 for fiscal year 1982-83 and $425,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Cabinet for Finance and Administration, Department of Personnel to be used to fund the Uniform Payroll Personnel System.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $200,000 for fiscal year 1982-83 and $200,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Law to be used to fund the Unified Prosecutorial System.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $200,000 for fiscal year 1982-83 and $200,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Economic Development to be used to fund the Governor's Economic Achievement Reward program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $2,500,000 for fiscal year 1982-83 and $4,500,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department for Human Resources, Bureau for Health Services, to be used to fund the Primary Care program.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following;

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $4,000,000 for fiscal year 1982-83 and $4,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department for Local Government to be used to fund the Area Development Districts.

Amend printed copy of **HB 816,** page 8, after line 4, by adding the following:

Section 6. The provisions of Section 1 of this Act notwithstanding, there shall be subtracted from the amount to be transferred from the General Fund into the Local Government Economic Assistance Fund under the provisions of subsections 2 and 3 of Section 1 of this Act, the sum of $105,000,000 for fiscal year 1982-83 and $105,000,000 for fiscal year 1983-84, and such sum is hereby appropriated to the Department of Corrections to be used to fund the County Jail System program.

Floor Amendment No. 3 to the Committee Substitute to **HB 264**, Representative Stumbo:

Amend printed copy of Committee Substitute to **HB 264**, page 3, line 3, add the following language; "The Fiscal Court however shall not have the authority to establish weight limits on any road that the Secretary of the Department of Transportation has issued a Resource Recovery road hauling permit pursuant to KRS Chapte 189, or other related chapter."

Floor Amendment No. 1 to **SB 145**, by Representative Van Horn:

Amend printed copy of **SB 145**, on page 3, after line 13, by inserting the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The coon hound is named and designated as the Kentucky state dog.

SECTION 3. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

Compliance with Section 2 of this Act shall not affect existing supplies of state promotional materials.

SECTION 4. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The state coon hound shall be officially referred to as "Old Blue."

Floor Amendment (Title) to **HJR 75**, by Representative List:

Amend printed copy of **HJR 75** by deleting the word "urging" and inserting in lieu thereof the following words "*petitioning the Congress of*"

Floor Amendment No. 1 to Committee Substitute to **HB 153**, by Representative Williams:

Amend printed copy of Committee Substitute to **HB 153** on page 5:

SECTION 7. A NEW SECTION OF KRS CHAPTER 231 IS CREATED TO READ AS FOLLOWS:

1. All other provisions to this Act notwithstanding, any person 18 years old or under shall not be limited in his right to sue unless his conduct constitutes *gross* negligence.

2. All other provisions of this Act to the contrary notwithstanding, any person injured while in an inebriated condition shall not be denied the right to sue unless the ski operator can show that said person consumed his alcohol away from the premises of the ski resort.

Floor Amendment No. 1 to Committee Substitute to **HB 440**, by Representative Arnold:

Amend printed copy of Committee Substitute to **HB 440**, on page 4, line 5, after "*funds*" by inserting "*shall be expended on the incarceration of prisoners within twelve (12) months of the close of the fiscal year in which such funds were received*";

On page 4, line 5, by deleting "*not so expended shall be returned to the*";

On page 4, line 6, by deleting "*state treasury*";

On page 4, line 8, after "*1980-81*" by inserting, "*, the capacity of a jail has been substantially increased due to construction or renovation and the fees earned by the jailer in fiscal year 1980-81 do not reflect such increased capacity*";

On page 4, line 11, after "*year*" by inserting "*or, in the case of newly constructed or renovated jails, an estimate of current capacity*";

On page 5, line 20, after the period "." by adding the following: "*In the event that a jail was closed during calendar year 1981, the secretary of finance may, upon proper documentation by the jailer, direct that a prior calendar year's level of compensation be used as a basis for setting the jailer's compensation pursuant to this section.*"

Floor Amendment No. 2 to Committee Substitute to **HB 440,** by Representative Arnold:

Amend printed copy of Committee Substitute to **HB 440,** page 49, after line 11 by inserting the following:

"SECTION 48. A NEW SECTION OF KRS CHAPTER 534 IS CREATED TO READ AS FOLLOWS:

(1) Pursuant to a conviction of a misdemeanor (including traffic offenses) where a person is sentenced to incarceration in the county jail, the district court may assess a reimbursement fee to help defray the expenses of the prisoner's room and board. In no event shall the reimbursement fee exceed the cost of incarcerating the prisoner or ten dollars ($10) per day, whichever is less. All moneys shall be collected by the district court and paid to the county treasury for use on the jail as provided in Section 3 of this Act.

(2) In determining whether a reimbursement fee as described in subsection (1) of this section is to be assessed, and in establishing the amount of such fee the court shall consider evidence relevant to the prisoner's ability to pay such a fee but shall not consider as evidence the following:

(a) Joint ownership, if any, that the prisoner may have in real property;

(b) Joint ownership, if any, that the prisoner may have in any assets, earning or other sources of income; and

(c) The income, assets, earnings or other property, both real and personal that might be owned by the prisoner's spouse or family.

(3) After considering all relevant evidence to the issue of the prisoner's ability to pay, the court shall enter as part of its judgment the amount of the reimbursement fee, if any, that shall be paid by the prisoner during his period of incarceration in thecounty jail. The fee shall bear a reasonable relationship to the person's income. Upon petition by the prisoner affected by the order, the amount may be modified to reflect any changes in the financial status of the prisoner. In any appeal that might be taken from the conviction, the amount of the reimbursement fee may be challenged.

(4) In the event the person sentenced to jail is released in accordance with the provisions of KRS 439.179 and is subject to the provisions of KRS 439.179(4), the payment of reimbursement fee shall be suspended so long as the person is gainfully employed."

And by renumbering subsequent sections accordingly.

Floor Amendment No. 1 to **HB 441,** by Representative Arnold:

Amend printed copy of **HB 441** on page 2, line 15, following the word "*facilities*", by inserting the following: '*, or any undertaking by the authority to finance or refinance, under the provisions of this Act, the cost of construction or reconstruction of any jail of any county or urban-county government completed and approved by the legislative body thereof since January 1, 1982, provided that such construction or reconstruction is in compliance, at the time such financing or refinancing is approved, with specifications, standards and requirements which are established by the authority to be made applicable to any undertaking by the authority pursuant to this Act on or after July 15, 1983*"; and on page 8, line 19, following the word "*paying*", by deleting "*all or*"; and on page 10, line 15, following the word "*obligated*", by inserting the following: "*, provided that the authority contribution from its funds (excluding rentals received under leases made by the authority and any contribution, grant, or gift made to the authority by a local government, person, or entity other than the state, for the use and benefit of such project) shall not exceed ninety percent (90%) of such cost*"; and on page 14, line 23, following the word "*pay*", by deleting "*all or*"; and on page 21, line 4, following the word "*Paying*", by deleting "*all or*".

Floor Amendment No. 3 to **SB 2,** by Representative Gray:

Amend printed copy of **SB 2**, page 2, beginning with line 9, A NEW SECTION IS CREATED AS FOLLOWS:

"As a reminder to the motoring public of their duty to drive safely, and in the interest of promoting traffic safety, all state police patrol cares shall be operated with headlights turned on when traveling on all state or federal highways."

Floor Amendment No. 2 to Committee Substitute to **HB 549**, by Representative Johnson:

Amend printed copy of Committee Substitute to **HB 549** page 10, line 9, by deleting the word "*shale*" and the word "*clay*"

Floor Amendment No. 1 to Committee Substitute to **HB 649**, by Representative LeMaster:

Amend printed copy of Committee Substitute to **HB 649** page 21, line 3, by deleting the period after the word "*Act*" and by inserting in lieu thereof: "*, unless such block grant applications have been approved by the legislative research commission.*"

Floor Amendment No. 2 to Committee Substitute to **HB 657**, by Representative LeMaster:

Amend printed copy of Committee Substitute for **HB 657** by deleting "42.320 state clearinghouse functions for federal funds."

Floor Amendment No. 50 to **HB 816**, by Representative Thomas:

Amend printed copy of **HB 816**, page 2, line 3, by deleting the punctuation point, "." and inserting the following: *; however, in no event shall the amount transferred in any one year exceed $25.0 million.*

Floor Amendment No. 1 to **HB 821**, by Representative Williams:

Amend printed copy of **HB 821**, page 39:

SECTION 49. A NEW SECTION OF KRS CHAPTER 272 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed to affect the rights, privileges, activities, business, etc. of agriculture and livestock cooperatives.

Floor Amendment No. 4 to **SB 2**, by Representative Van Horn:

Amend printed copy of **SB 2**, on page 2, line 8, after the period, by inserting the following:

"*(6) All vehicles operated by the bureau of state police for the enforcement of traffic laws shall be equipped with an approved child passenger restraint system of a type provided in subsection three (3), while such vehicles are in use on the highways, roads and streets of the Commonwealth. In the event a motorist is apprehended for violating this Act, the patrolman, in lieu of issuing a citation, shall provide to the motorist a child passenger restraint system.*"

And renumbering the subsection which follows.

Floor Amendment No. 1 to **SB 168**, by Representative Richards:

Amend printed copy of **SB 168**, page 3, line 7, by placing a period after the word "representatives" and adding the following: "*Among the lay members, there shall be at least one (1) undergraduate degree recipient from each of the state universities to be appointed by the governor.*"

Floor Amendment No. 1 to **SB 285**, by Representative Burnette:

Amend printed copy of **SB 285**, page 3, after line 7, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) The public service commission shall consist of seven (7) members, each elected from one (1) of the seven (7) congressional districts in the state, as described in KRS Chapter 118.

(2) A commissioner from each district shall be elected at the general election in November 1983 by the qualified voters from that district. Of the commissioners elected in 1983, those elected from the first, third, fifth, and seventh districts shall serve a term of four (4) years. Commissioners elected from the second, fourth, and sixth districts shall be elected in 1983 for a term of two (2) years. In all subsequent elections commissioners shall be elected for four (4) year terms.

(3) The general election laws in KRS Chapter 118 shall apply to the election of public service commissioner.

SECTION 4. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

In January of each year, the commissioners shall choose one (1) commissioner to act as chairman for a period of one (1) year. The chairman shall be the chief executive officer of the commission. The commission also may choose a vice chairman and specify his duties.

Section 5. KRS 278.060 is amended to read as follows:

(1) Each commissioner shall be a resident and qualified voter *within the district from which he is elected* [~~of this state~~], not less than twenty-five (25) years of age at the time of his *election* [~~appointment and qualification~~], and shall have resided in this state for at least three (3) years prior to his *election* [~~appointment and qualification~~]. Each commissioner shall take and subscribe to the constitutional oath of office, which shall be recorded in the office of the secretary of state.

(2) No person shall be *elected* [~~appointed~~] to or hold the office of commissioner who holds any official relationship to any utility, [~~or who owns any stocks or bonds thereof,~~] or who has any pecuniary interest therein.

(3) No commissioner shall receive any rebate, pass, percentage of contract or other thing of value from any utility.

(4) [~~In addition to the restrictions on members of the energy commission set forth in KRS 278.050(1), no commissioner shall engage in any occupation or business inconsistent with his duties as such commissioner.~~

~~(5) If any commissioner becomes a member of any political party committee, his office as commissioner shall be thereby vacated.~~

~~(6) In making appointments to the commission, the governor shall consider the various kinds of expertise relevant to utility regulation and the varied interests to be protected by the commission, including those of consumers as well as utility investors, and not all members should be of the same occupation or profession.~~]

Section 6. KRS 278.120 is amended to read as follows:

(1) The [~~chairman and the other two (2)~~] members of each commission shall be paid a salary *equal to that paid the attorney general* [~~fixed~~] under KRS *64.480* [~~64.640~~] to be paid monthly.

(2) The executive director and the secretary of the commission shall be paid a salary to be fixed by the commission, with the approval of the governor.

(3) The commissioners, the executive director, the secretary and employes of the commission are entitled to all expenses, including hotel bills, incurred in traveling on business of the commission.

(4) The salaries and expenses provided for by this section, and all other expenses of the commission incurred in the administration of this chapter, shall be paid out of appropriations as provided by law out of the general expenditure fund.

Section 7. The following KRS sections are repealed:

278.050 Membership of energy and utilitiy commissions — Appointment — Chairman — Vacancies.

278.070 Removal of commissioners."

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 96, by Representative Boswell: A RESOLUTION adjourning the House of Representatives in honor of Earle Chester Clements.

HR 97, by Representative Yates: A RESOLUTION requesting a study of the filled milk law.

HB 98, by Representatives F. Smith, Rapier, Burch, Thomas, T. Jones, Bronger, Heleringer, Hancock, and List: A RESOLUTION requesting the Legislative Research Commission to study the economic effect of a fifteen percent (15%) wholesale tax on bourbon whiskey.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **SJR 45, SB 51, SB 43, SB 284, SCR 50.**

Cities: **SB 400.**

Banking and Insurance: **SB 372.**

Judicial-Criminal: **SB 340, HR 93.**

Counties and Special Districts: **SB 317.**

Education: **SB 273.**

Labor and Industry: **SB 186, SB 109.**

Health and Welfare: **SB 300, SB 28, SB 3, SB 155.**

Cities: **SB 398, SB 316,** Proposed Regulation 815 KAR 7:050.

Appropriations and Revenue: **HB 801, HB 470.**

Natural Resources and Environment: **SB 396, SB 397.**

Energy: **HR 89, HR 91.**

The Clerk announced **HB 729** has been withdrawn from consideration by the Committee on Cities.

The Committee on Business Organizations and Professions reported **HB 637, HB 727,** and **SB 348** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 637, AN ACT relating to corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 271A.475 is amended to read as follows:

(1) The circuit courts shall have full power to liquidate the assets and business of a corporation:

(a) In an action by a shareholder when it is established:

1. That the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock and that irreparable injury to the corporation is being suffered or is threatened by reason thereof; or

2. That the acts of the directors or those in control of the corporation are illegal or fraudulent; or

3. That the shareholders are deadlocked in voting power, and have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon the election of their successors*; or*

4. If a corporation for profit, there is internal dissension and two (2) or more factions of shareholders are so divided that dissolution would be beneficial to the shareholders: or the corporation has substantially ceased to do business, and the majority of the shareholders are withholding from a minority of the shareholders their rightful share of corporate assets to which they should be entitled upon dissolution by failing or refusing to vote their shares in favor of dissolution without a valid business reason for such failure or refusal; or

5. In such other circumstances as the circuit judge, in his discretion, deems advisable for the benefit of the corporation or its shareholders.

(b) In an action by a creditor:

1. When the claim of the creditor has been reduced to judgment and an execution thereon returned unsatisfied and it is established that the corporation is insolvent; or

2. When the corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is insolvent.

(c) Upon application by a corporation which has filed a statement of intent to dissolve, as provided in this chapter, to have its liquidation continued under the supervision of the court.

(d) When an action has been filed by the Attorney General to revoke or forfeit a corporation's charter and it is established that liquidation of its business and affairs should precede the entry of a decree of revocation or forfeiture.

(2) Proceedings under paragraph (a), (b) or (c) of this section shall be brought in the county in which the registered office or the principal office of the corporation is situated.

(3) It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

HB 727, AN ACT relating to private security services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context requires otherwise:

(1) "Agency" means private security services agency.

(2) "Armed security guard" means one who is armed and whose duties are equivalent to those of a security patrolman, but who shall not have any greater power of arrest than any private citizen.

(3) "Board" means the private security services board provided for in Section 2 of this Act.

(4) "Certificate" means a certificate, issued to an applicant by the secretary, entitling such applicant to operate a private security services agency.

(5) "Council" means the Kentucky law enforcement council.

(6) "Department" means the department of justice of the Commonwealth of Kentucky.

(7) "Employer" means:

(a) A private security services agency as defined in subsection (10) of this section; or

(b) One who contracts with a private security services agency or with a holder of a license hereunder, for private security services.

(8) "License" means a license, issued to an individual by the secretary, entitling such individual to perform private security services for hire.

(9) "Licensee" means one who, by reason of the provisions of this Act, holds or is required to hold a license or certificate hereunder.

(10) "Private security services agency" means a sole proprietorship, partnership, firm, company or corporation, which provides private security services for hire.

(11) "Private security services" means, when performed for hire, those duties exercised by security patrolmen and security guards which are defined by this Act, and any like or similar occupation or service not specifically herein excluded.

(12) "Property" means that specific property upon which a security guard is engaged to serve.

(13) "Secretary" means the secretary of the department of justice.

(14) (a) "Security patrolman" and all like or similar terms means one whose duties include:

1. Protection of property from intrusion, entry, larceny, vandalism, abuse, intermeddling, or trespass;

2. The prevention, observation or detection of, or apprehension for, any unlawful activity;

3. Answering any intrusion alarm; or

4. Control, regulation or direction of the flow of movements of the public, whether by vehicle or otherwise.

(b) The term shall not include an employe in the regular course of his employment who is engaged in protecting property in the possession of his employer provided such employee is not employed by, associated with, or acting for, or on behalf of, any security services agency or security officer, and further provided that such employe is not employed, or used, specifically or mainly for protective purposes.

(c) The term shall include public peace officers only to the extent set forth in Section 17 of this Act.

(15) "Sworn public peace officer" means one who derives plenary or special law enforcement powers from and is a full-time employe of, the federal government, the Commonwealth, or any political subdivision, agency, department, branch or service of either, or of any municipality.

(16) "Unarmed security guard" means one who is not armed, whose duties are equivalent to those of an armed security guard, but whose duties do not regularly bring him into contact with the general public.

SECTION 2. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) This Act shall be administered by the secretary of the department of justice, or by an agency of the department designated by him and acting under his authority. The secretary shall make, promulgate, and enforce such rules, orders, regulations and instructions as may be reasonable and necessary to carry out the provisions of this Act. The secretary may appoint such employes, and delegate such duties to the same, as he in his sound discretion deems appropriate.

(2) The secretary shall provide, by appropriate regulations, fair and speedy procedures for hearings or grievances.

(3) The secretary shall appoint a board to be known as the private security board to hear all grievances brought by applicants, licensees, employers, governmental units and agencies, and other aggrieved parties. The secretary may bring an action before the board.

(4) The board shall be composed of:

(a) The commissioner of the bureau of state police or his designated representative;

(b) A member of the Kentucky law enforcement council, or staff member of the bureau of training, Kentucky department of justice, who is elected by the council;

(c) Three (3) representatives of the private security services industry in Kentucky.

(5) The secretary shall select the board members as specified in subsection (4)(c) of this section from a separate list. The list shall consist of persons recommended by certified agencies from the group specified.

(6) Membership on the board does not constitute a public office and no member shall be disqualified from holding a public office by reason of his membership.

(7) The members of the board shall receive no salary but shall be reimbursed for their reasonable and necessary expenses actually incurred during the performance of their functions.

(8) The members of the board shall serve four (4) year terms with two (2) members as specified in subsection (4)(c) serving their initial term for two (2) years.

SECTION 3. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Every person, to be eligible for a security patrolman's license shall:

(1) Have reached his twenty-first birthday; and

(2) (a) Provide evidence satisfactory to the secretary of comprehensive general liability insurance in principal amounts not less than one hundred thousand dollars ($100,000) per person and three hundred thousand dollars ($300,000) per occurrence for bodily injury liability and one hundred thousand dollars ($100,000) for property damage liability, or of comparable financial responsibility; or

(b) Provide security services only as an employe of a certified private security services agency; and

(3) Pay the fees provided in Section 7, subsections (1) to (3), of this Act as applicable; and

(4) Provide evidence satisfactory to the secretary that he meets at least two (2) of the following requirements:

(a) Is a graduate of an accredited high school; or of an equivalent technical or vocational training or education program satisfactory to the secretary; or holds a G.E.D. certificate;

(b) Has been employed in a private security services capacity, or in some equivalent capacity satisfactory to the secretary, for a total of not less than six hundred (600) duty hours within the two (2) years prior to applying for licensure;

(c) Has been employed in a full-time capacity as a military policeman engaged in law enforcement for the United States armed forces for a period of not less than one (1) year within the past five (5) years;

(d) Has successfully completed forty (40) hours of training in a program approved by the council, which shall deal comprehensively with the subjects of private security services, criminal law, the law of arrest, search and seizure, and the law of tort, and which may be conducted by a private security agency or other facility approved by the council.

(e) Has been employed as a full-time sworn public peace officer for a period of not less than one (1) year within the past five (5) years, and has never been discharged for cause from employment as a sworn public peace officer;

(f) Has successfully completed a written, oral and practical examination approved and monitored by the council, dealing comprehensively with the subject matter of private security services, and which may be administered by a private security agency or other facility approved by the council; and

(5) Demonstrate, in written and practical examinations approved and monitored by the council, knowledge of and proficiency in firearms safety, range firing, the moral and legal aspects of firearms use, and first aid. These examinations may be conducted by a private security agency or other facility approved by the council. These examinations shall include, but are not limited to, the following topics and minimum standards:

(a) Legal limitations on use of weapons;

(b) Handling of a weapon;

(c) Safety and maintenance;

(d) A minimum of sixty percent (60%) on any approved silhouette target course prescribed by the secretary.

(6) All persons in the employ of a private security agency on December 31, 1981, which have satisfied the requirements of subsections (1), (4), and (5) of this section shall be deemed to be a security patrolman.

SECTION 4. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Every person, to be eligible for an armed security guard's license shall:

(1) Have reached his twenty-first birthday; and

(2) (a) Provide evidence satisfactory to the secretary of comprehensive general liability insurance in principal amounts not less than one hundred thousand dollars ($100,000) per person and three hundred thousand dollars ($300,000) per occurrence for bodily injury liability and one hundred thousand dollars ($100,000) for property damage liability; or

(b) Provide private security services only as an employe of a certified private security services agency; and

(3) Demonstrate, in written and practical examinations approved and monitored by the council, knowledge of and proficiency in firearms safety, range firing, the moral and legal aspects of firearms use, and first aid. These examinations may be conducted by a private security agency or other facility approved by the council. These examinations shall include, but are not limited to, the following topics and minimum standards:

(a) Legal limitations on use of weapons;

(b) Handling of a weapon;

(c) Safety and maintenance;

(d) A minimum of sixty percent (60%) on any approved silhouette target course prescribed by the secretary.

(4) Pay the fees provided in Section 7(1) to (3) of this Act as applicable.

(5) All armed security guards in the employ of a private security agency on December 31, 1981 shall be deemed to have satisfied the requirements of paragraphs (1) and (3) of this section.

(6) Provide satisfactory evidence to the secretary that he successfully completed forty (40) hours of training in a program approved by the council, which shall deal comprehensively with the subjects of private security services, criminal law, the law of arrest, search and seizure, and the law of tort, and which may be conducted by a private security agency or other facility approved by the council.

SECTION 5. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) Every person to be eligible for an unarmed security guard's license shall:

(a) Have reached his nineteenth birthday; and

(b) Pay the fees provided in Section 7(1) and (2) of this Act as applicable.

(2) (a) Provide evidence satisfactory to the secretary of comprehensive general liability insurance in principal amounts not less than one hundred thousand dollars ($100,000) per person and three hundred thousand dollars ($300,000) per occurrence for bodily injury liability and one hundred thousand dollars ($100,000) for property damage liability, or of comparable financial responsibility; or

(b) Provide security services only as an employe of a certified private security services agency; and

(3) All unarmed security guards in the employ of a private security agency on December 31, 1981 shall be deemed to have satisfied the requirements of subsection (1)(a) of this section.

SECTION 6. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) Any sole proprietorship, firm, partnership, company, or corporation shall, upon presentation to the secretary of satisfactory evidence of compliance with the following conditions and requirements, be granted a certificate to operate a private security services agency.

(2) Every applicant, to be eligible for a certificate, shall:

(a) If an individual be a resident of the Commonwealth; or, if a partnership, firm, company or corporation, is organized or chartered in the Commonwealth; or, if a foreign partnership, firm, company or corporation, is licensed to do business in the Commonwealth have appointed in the Commonwealth an agency for the service of process; and

(b) Provide, on preprinted state forms supplied by the secretary such information pertinent to itself as shall reasonably be requested thereon, including, but not limited to, the name of the enterprise, the address of its principal place of business and all branch offices within the Commonwealth, and the name or names and address or addresses of its chief executive or operational officer and all other executive officers within the Commonwealth, as to each individual applicant, or if the applicant is a partnership, as to each partner, if the applicant is a corporation, as to the chief executive officer of the corporation or branch business in Kentucky; and

(c) Provide evidence satisfactory to the secretary of comprehensive general liability in principal amounts of not less than one hundred thousand dollars ($100,000) per person and three hundred thousand dollars ($300,000) per occurrence for bodily injury liability and one hundred thousand dollars ($100,000) for property damage liability; and

(d) Provide evidence satisfactory to the secretary that the applicant has complied with the Kentucky worker's compensation laws; and

(e) If it is a private security services agency, have as its chief operational or training officer a security patrolman licensee who shall have not less than three (3) years experience in the full-time performance of private security services, or in some equivalent capacity satisfactory to the secretary;

(f) Pay the fees provided in Section 7(6) of this Act.

(3) This section shall not apply to the following organizations:

(a) Banks as defined under KRS 287.010, subsection (1)(a); and

(b) Savings and loan associations as defined under KRS 289.011, subsection (1); and

(c) Merchants as defined under KRS 355.2-104 subsection (1) who engage in retail commerce.

SECTION 7. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) Each application for any type of license shall be accompanied by a fee determined by the secretary but not to exceed five dollars ($5.00).

(2) An additional fee determined by the secretary, but not to exceed five dollars ($5.00), shall be required for issuance of any type of license. If the applicant is employed by a certified security agency, the agency or business shall submit this fee to the secretary within twenty-one (21) days of the date of the applicant's employment.

(3) The following fees shall be paid as a condition of admission to the examinations indicated. Prior to the examination conducted for:

(a) A security patrolman's or armed guard's license, authorized by Sections 3(4)(f) and 4(6) of this Act, a fee of fifteen dollars ($15.00), except where the agency or business itself conducts the examination.

(b) Initial and annual firearms proficiency examination, authorized by Sections 3(5) and 4(3) of this Act, a fee of twenty dollars ($20.00) except where the agency itself conducts the examination.

(4) A fee determined by the secretary, but not to exceed five dollars ($5.00), shall be paid as a condition for the two (2) year renewal of any license.

(5) A fee determined by the secretary, but not to exceed five dollars ($5.00), shall be paid for the transfer of any license.

(6) Each application for a certificate shall be accompanied by a fee determined by the secretary, but not to exceed three hundred dollars ($300).

(7) A fee determined by the secretary, but not to exceed three hundred dollars ($300), shall be paid annually as a condition for the renewal of the certificate.

(8) All funds received by the department as fees pursuant to this Act shall be available for use by the secretary in administering the provisions of this Act, and any excess funds not expended at the end of the fiscal year shall be carried forward and be available for expenditure at any time during the ensuing year within the biennium and no portion shall lapse to the general fund.

SECTION 8. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Any duly licensed security patrolman shall, while performing private security services upon the premises he is hired to protect, be empowered to arrest:

(1) Persons committing, in his presence and upon the premises he is hired to protect, any misdemeanor, and traffic violation, or any other violation as defined by KRS 500.080(17); and

(2) Provided there exists probable cause to believe a felony has been committed upon the premises he is hired to protect, any person whom the security patrolman reasonably and actually believes to have committed such felony upon the protected premises.

SECTION 9. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

A security patrolman may, in the course of accomplishing any lawful arrest upon the premises he is hired to protect as herein provided, use and apply the minimum force less than deadly force, actually necessary to effectuate such arrest.

SECTION 10. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

The duties and powers of the security patrolman shall be confined to the premises of the property to be protected, except while in pursuit of a person fleeing from the property after committing any felony on the property. In such case, the security patrolman may pursue the person and make arrest anywhere within this state. In making an arrest after such pursuit, he may use the minimum force less than deadly force, actually necessary to effectuate such arrest.

SECTION 11. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

The secretary shall revoke, suspend, deny or refuse to renew a license or certificate whenever he shall determine:

(1) That the applicant, licensee, or certificate holder does not meet, or no longer meets, the requirements and conditions for the particular license or certificate; or

(2) That the applicant, licensee, or certificate holder has falsified any application or portion thereof, or has made any knowingly false or misleading statement of a material fact to the secretary or any of his delegates, agents or officers; or

(3) That the applicant, licensee, or certificate holder has violated any provision of this Act, or any law, rule, regulation, or order of the United States, the violation of which the secretary determines to bear a reasonable relationship to eligibility for the license or certificate; or

(4) That the applicant, licensee, or certificate holder has failure to pay any fee provided by this Act.

SECTION 12. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Any person whose license, certificate, application or application for renewal shall have been denied, revoked or suspended, or who shall fail any examination, or who suffers any adverse ruling by the secretary, may petition for a waiver, hearing, rehearing, reinstatement or reexamination, as the case may be, and shall thereupon be entitled to an evidentiary hearing before the board or its designated representative upon the matter, and to be represented by counsel at his own expense. Subsequent to such hearing, the board shall publish findings of fact as well as its decision upon the question or issue presented; and the petitioner shall forthwith be informed of the same. In the event the board shall determine that the petition was without substance, or trivial, or fraudulent, or interposed for the purpose of delay, any portion or all of the costs of such hearing may be assessed against the petitioner. The petitioner and the secretary shall have the right to appeal any adverse ruling by the board.

SECTION 13. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) In any investigation conducted under the provisions of this statute, the board may issue subpoenas to compel the attendance of witnesses and the production of relevant books, accounts, records and documents. The officer conducting a hearing may administer oaths and may require testimony or evidence to be given under oath.

(2) If a witness refuses to obey a subpoena or to give any evidence relevant to proper inquiry by the board, the board may petition a court of competent jurisdiction within the state to compel the witness to obey the subpoena or to give the evidence. The court shall promptly issue process to the witness and shall hold a hearing on the petition as soon as possible. If the witness then refuses, without reasonable cause or legal grounds, to be examined or to give evidence relevant to proper inquiry by the board, the court may cite the witness for contempt.

SECTION 14. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

On appeals from decisions of the private security board, venue may lie in the circuit court in whose jurisdiction the matter arose or in the circuit court for Franklin County. Such appeals shall be administrative appeals on the record and not de novo trials on the merits of the case. The court shall limit its consideration of questions of fact to a determination of whether substantial evidence exists upon which the board could base its decision.

SECTION 15. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

It shall be unlawful for any person to offer or contract to perform, private security services unless and until he shall hold a valid license as herein provided.

SECTION 16. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed as granting the right to carry a concealed deadly weapon, except as provided by state law.

SECTION 17. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

(1) This Act shall have no application to the following officers while acting within the scope of their public offices of employment:

(a) Sheriffs, sworn deputy sheriffs, and members of a lawfully organized police unit or police force of a state, county, city or metropolitan government, or a combination of these, who are responsible for the detection of crime and the enforcement of the general criminal laws of the state;

(b) Auxiliary or reserve police appointed under KRS 70.545, 95.160, 95.445, and 95.740;

(c) Other public officers responsible for law enforcement who are employed by state, county, city, metropolitan government, or a combination of these;

(d) Federal peace officers responsible for law enforcement;

(e) Public officers covered by the Special Law Enforcement Officer Act;

(f) Campus security officers covered by KRS 164.950; and

(g) Railroad policemen covered by KRS 277.270 and 277.280.

(2) A sworn public peace officer shall be awarded an unarmed security guard's license upon compliance with the provisions of Section 5 of this Act, or shall be awarded an armed security guard's license upon compliance with the provisions of Section 4 of this Act, or shall be awarded a security patrolman's license upon compliance with the provisions of Section 3(1) to (3) of this Act. Renewal of such license shall be as elsewhere herein provided.

SECTION 18. A NEW SECTION OF KRS CHAPTER 329 IS CREATED TO READ AS FOLLOWS:

Whoever violates any of the provisions of Section 15 of this Act is guilty of a misdemeanor and shall, upon conviction, be fined not more than two hundred fifty dollars ($250), or imprisoned in the county jail for not more than ninety (90) days, or both.

Section 19. This Act shall preempt and supersede all ordinances and systems of city, county, and metropolitan governments for the licensing or regulation of private security services or private security agencies, as herein defined within the Commonwealth of Kentucky.

SB 348, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.450 is amended to read as follows:

(1) A license that might be issued under KRS 243.020 to 243.670 shall be refused:

(a) If the applicant or the premises for which the license is sought do not comply fully with all alcoholic beverage control statutes, the regulations of the board, all ordinances relative to the regulation of the manufacture, sale and transportation of alcoholic beverages, and all regulations of a city administrator or county administrator;

(b) If the applicant has done any act for which a revocation of license would be authorized; or

(c) If the applicant has made any false material statement in his application.

(2) A license that might be issued under KRS 243.020 to 243.670 may be refused by a state administrator for any reason which he, in the exercise of his sound discretion, may deem sufficient. *Among those factors that the administrator shall consider in the exercise of his discretion are: public sentiment in the area; number of licensed outlets in the area; potential for future growth; type of area involved; type of transportation available; and financial potential of the area.*

The Committee on Education reported **HB 222** with Committee Amendment attached thereto,**HB 580** with Committee Amendment attachted thereto, and **SB 77** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 222, AN ACT relating to leaves of absence for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.770 is amended to read as follows:

(1) Upon written request of a teacher or superintendent, a board of education may grant a leave of absence for a period of not more than two (2) consecutive school years for educational or professional purposes[~~, and shall grant such leave where illness, maternity or other disability is the reason for the request~~]. Upon subsequent request, such leave may be renewed by the board. A board of education may pay a sum of money equivalent to all or any portion of salary to a teacher or superintendent who has been granted leave for educational or professional purposes if the person taking said leave agrees in writing to return to employment with the board for no less than two years.

(2) Upon written request of a teacher or superintendent, a board of education may grant an unpaid leave of absence for a period of not more than two (2) consecutive school years for reasons the board may deem appropriate. Upon subsequent request, such leave may be renewed by the board.

(3) Upon written request of a teacher or superintendent, a board of education shall grant an unpaid leave of absence for a period of not more than two (2) consecutive school years when the reason for the request is illness, disability, or a personal circumstance which, in the judgment of the teacher or superintendent, requires care of an infant son or daughter under the age of four (4) years. Upon subsequent requests, such leave may be renewed by the board.

(4)[~~(2)~~] Without request, a board of education may grant leave of absence and renewals thereof to any teacher or superintendent because of physical or mental disability, but such teacher or superintendent shall have the right to a hearing and appeal on such unrequested leave of absence or its renewal in accordance with the provisions for hearing and appeal in KRS 161.790. *In a hearing on an unrequested leave of absence, the teacher or superintendent shall not be required to give evidence against himself or herself nor shall the board of education require the teacher or superintendent to involuntarily submit to a physical, mental or other kind of examination.*

(5)[~~(3)~~] Upon the return to service of a teacher or superintendent at the expiration of a leave of absence, he *or she* shall resume the contract status [~~which he~~] held prior to such leave.

(6)[~~(4)~~] Payments to any teacher or superintendent under this section by a board of education are intended and presumed to be for and in consideration of services rendered and for the benefit of the common schools and such payments do not affect the eligibility of any school district to share in the distribution of funds from the public school foundation program funds as established in KRS Chapter 157.

Committee Amendment No. 1 to **HB 222** is as follows:

Amend printed copy of **HB 222,** page 2, line 5, by adding "*maternity,*" before the word "*or*"

Page 2, line 8, by adding the following after the word "years."

"*After one (1) year of such leave, the teacher or superintendent must submit a request to the board for continuation of the leave during the second year.*"

Page 2, lines 16 through 22 by deleting all new material.

HB 580, AN ACT relating to the school month and day.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.060 is amended to read as follows:

Twenty (20) school days, or days in which teachers are actually employed in the schoolroom, shall constitute a school month in the common schools. The legal holidays designated by the state board *of* [~~for~~

~~elementary and secondary~~] education to be observed may include the first Tuesday after the first Monday in November of each year and shall be counted as school days. No teacher shall teach on Saturdays except in cases of emergency and then only upon authorization of the state board *of* [~~for elementary and secondary~~] education. *For each six (6) hours of classroom teaching per day, each teacher must be provided with a planning period of not less than fifteen (15) minutes.* Except for children attending kindergarten, readiness classes, first grade classes, and the handicapped, who may attend a program of less than six (6) hours per day under policy adopted by the local school district board of education and approved by the state board *of* [~~for elementary and secondary~~] education, six (6) hours of actual school work shall constitute a school day. The daily session, including recesses and intermissions, shall not exceed nine (9) hours. A local board of education, with the approval of the state board *of* [~~for elementary and secondary~~] education, may extend the regular school day, when necessary, to make up days missed as a result of emergency, providing that the extended school day shall not exceed nine (9) hours. If a school district has adopted an extended school day before such emergency, the time in excess of the minimum school day may, with the approval of the state board *of* [~~for elementary and secondary~~] education, be used to make up days missed as a result of emergency.

Committee Amendment No. 1 to **HB 580** is as follows:

Amend printed copy of **HB 580,** page 1, line 15, after the period "." insert the following:

"*The planning period shall not be scheduled before the beginning or after the end of the normal school day. For purposes of this section, a normal school day shall not begin earlier nor end later than the scheduled working hours in effect for teachers during the 1981-82 school year.*"

SB 77, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.290 is amended to read as follows:

(1) The state colleges formerly designated as Eastern Kentucky State College, Morehead State College, Murray State College, Western Kentucky State College, Northern Kentucky State College, and Kentucky State College may be known and recognized as Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Northern Kentucky University, and Kentucky State University.

(2) Kentucky State University located at Frankfort, Kentucky, is a land-grant state institution and, as such, all the provisions of KRS Chapter 164, with the exception of the provisions of KRS 164.320 concerning the appointment of the initial board of regents, applying to the other *five (5)* [~~four~~] regional universities shall likewise apply to Kentucky State University. *It is the intent of the General Assembly that Kentucky State University shall serve as a four-year residential institution emphasizing a program of liberal studies appropriate to its size and resources. The University shall focus on the research, educational, and training needs of state and local government employes and agencies and students in the surrounding area. Associate and baccalaureate degree programs shall be oriented toward career opportunities and related human and public service delivery and governmental services. At the masters degree level, the University shall offer a degree in public affairs and develop an interinstitutional graduate center in cooperation with Kentucky's other public universities.*

Committee Amendement No. 1 to **SB 77** is as follows:

Amend printed copy of **SB 77** page 1, line 21, delete "The University shall" and on page 2 delete in its entirety lines 1 through 10.

The Committee on Transportation reported **HB 464** and **HB 783,** with Committee Substitute attachted thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 464, AN ACT relating to motor carriers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

(1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;

(2) Motor vehicles, regardless of ownership, used exclusively:

(a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy or mill, or from one market, warehouse, dairy or mill to another market, warehouse, dairy or mill;

(b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;

(c) For both the purposes described in paragraphs (a) and (b) of this subsection; or

(d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return;

(3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;

(4) Motor vehicles to the extent such are used or operated in transportation programs pursuant to grants of funds in furtherance of and governed by the provisions of Title III and Title VII of the federal Older Americans Act of 1965, Public Law 89-73, including all amendments thereto, and to the extent such are used or operated to transport persons whose fares are reimbursed or paid through programs in furtherance of and governed by the provisions of Title XIX and Title XX of the federal Social Security Act, including all amendments thereto;

(5) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;

(6) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;

(7) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;

(8) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;

(9) Motor vehicles used as ambulances in transporting wounded, injured, or sick persons or animals;

(10) Motor vehicles used by transit authorities as created and defined in KRS chapter 96A except as required by KRS 96A.170;

(11) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;

(12) Motor vehicles used by a bank to transport cash letters, data processing material, instruments or documents between any of the bank's facilities and the facilities of any other bank, regardless of the ownership of any of said cash letters, data processing material, instruments or documents; provided, however, that such transportation is incidental to such bank's primary banking business*;*

(13) Motor vehicles used exclusively to transport mobile homes within the boundaries of the Commonwealth.

HB 783, AN ACT relating to roads.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.320 is amended to read as follows:

(1) *On and after July 15, 1982, twenty-three percent (23%)* [~~Twenty-two and two-tenths percent (22.2%)~~] of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565 [~~, 138.660~~]

and 234.320 shall be set aside *by the department of finance* for the construction, reconstruction and maintenance of secondary and rural roads *and those roads designated by the bureau of highways as unclassified* and for no other purpose, and shall be expended for said purposes by the *county in which the secondary and rural and unclassified roads are located* [~~department of transportation of the Commonwealth of Kentucky~~] according to the terms and conditions prescribed in KRS [~~177.330 to~~] 177.360.

(2) On or after July *15, 1982, sixteen percent (16%)* [~~1, 1980, fifteen and six-tenths percent (15.6%)~~] of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565[~~, 138.660~~] and 234.320 shall be set aside *by the department of finance* for the construction, reconstruction and maintenance of county roads and bridges provided by KRS 179.410 through 179.430.

Section 2. KRS 177.360 is amended to read as follows:

(1) The *department of finance* [~~bureau of highways~~] shall allocate the funds set apart for construction, reconstruction and maintenance of secondary and rural highways by the provisions of KRS 138.220 as follows:

(a) One-fifth (1/5) shall be apportioned equally among the one hundred twenty (120) counties.

(b) One-fifth (1/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the rural population of each county bears to the total rural population of the state. "Rural population" as used here means the population in a county outside cities, towns and urban areas having a population of twenty-five hundred (2,500) or more as shown by the most recent decennial census of the United States bureau of the census, and county population shall be determined by the most recent decennial census of the United States bureau of the census.

(c) One-fifth (1/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio that the public road mileage outside of cities, towns and urban areas having a population of twenty-five hundred (2,500) or more bears to the total mileage of such roads for the entire state.

(d) Two-fifths (2/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the square-mile rural area of the county bears to the total square-mile rural area of the state. "Rural area" as used here means that area of the county outside of cities, towns and urban areas having a population of twenty-five hundred (2,500) or more and shown by the most recent decennial census of United States bureau of the census.

(2) [~~A pro rata share of the allocation to each county shall be deducted at the beginning of each fiscal year and adjusted quarterly to cover the maintenance, administrative, engineering and other costs of the program.~~

~~(3) Of the total amount apportioned by the provisions of this section, a sum not exceeding six percent (6%) may be deducted and placed by the bureau of highways in a special emergency account to be expended at the direction of the commissioner of highways to meet unforeseen emergencies on rural and secondary roads and bridges.~~

~~(4)~~] Apportionments as required by the provisions of this section shall be made on the basis of revenue estimates supplied by the department of revenue and adjusted quarterly in accordance with the most recent revision of the estimates by the department of revenue.

Section 3. KRS 177.365 is amended to read as follows:

(1) On and after July *15, 1982, seven percent (7%)* [~~1, 1980, six and seven-tenths percent (6.7%)~~] of all amounts received from the imposition of the taxes provided for in KRS 138.220, 138.565 [~~, 138.660~~] and 234.320 shall be set aside by the department of finance for the construction, reconstruction and maintenance of urban roads and streets and for no other purpose.

(2) As used in this section unless the context requires otherwise "construction," "reconstruction," and "maintenance" mean the supervising, inspecting, actual building, and all expenses incidental to the construction, reconstruction, or maintenance of a road or street, including planning, locating, surveying, and mapping or preparing roadway plans, acquisition of rights-of-way, relocation of utilities, lighting and the elimination of other hazards such as roadway grade crossings, and all other items defined in the bureau of highways, design, operations, and construction manuals.

(3) "Urban roads" mean all public ways lying within the limits of the unincorporated urban place as described by the bureau of census tracts.

(4) "Streets" mean all public ways which have been designated by the incorporated city as being city streets and said streets lying within the boundaries of an incorporated city.

Section 4. The following KRS sections are repealed:

177.330 Bureau to consult with fiscal courts for selection of rural and secondary roads to be improved — Recommendations — Agreements — Roads through towns of fifth and sixth class.

177.340 Selection of roads to be improved in case of disagreement with fiscal court — Roads become part of state highway system.

177.350 Standards for construction and improvement of rural and secondary roads — Studies — Surveys — Maps — Personnel — Equipment.

Committee Substitute to **HB 783** is as follows:

HB 783, AN ACT relating to roads.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.320 is amended to read as follows:

(1) *On and after July 1, 1983, twenty-three percent (23%)* [~~Twenty-two and two-tenths percent (22.2%)~~] of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside for the construction, reconstruction and maintenance of secondary and rural roads and for no other purpose, and shall be expended for said purposes by the *county in which the roads are located if prior to July 1, 1983, the appropriate county fiscal court accepts responsibility for the construction, reconstruction and maintenance of the rural and secondary roads in that county or by the* department of transportation of the Commonwealth of Kentucky according to the terms and conditions prescribed in KRS 177.330 to 177.360. *The rural secondary roads are those in a county which are identified as being part of the state rural secondary system. After July 1, 1983, a county fiscal court that has accepted responsibilities for construction, reconstruction and maintenance of rural and secondary roads shall not reverse its position and such roads may not be returned to the department of transportation's road program.*

(2) In order for the fiscal court to accept responsibility for the construction, reconstruction and maintenance of rural and secondary roads in that county, application must be made to the department of transportation for approval of its request.

(3) Counties that have accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads shall competitively bid, award and expend a minimum of thirty-three percent (33%) of their county allotment for rural and secondary roads for resurfacing and bridge maintenance and construction.

(4)[~~(2)~~] On or after July 1, 1980, fifteen and six-tenths percent (15.6%) of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside for the construction, reconstruction and maintenance of county roads and bridges provided by KRS 179.410 through 179.430.

Section 2. KRS 177.330 is amended to read as follows:

(1) At least once in each calendar year the bureau of highways, through a duly authorized representative, shall consult with the fiscal courts of the various counties *that have not accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads* for the purpose of receiving recommendations from said fiscal courts for the selection of secondary and rural roads lying within said counties for construction, reconstruction or maintenance. The bureau of highways shall give due consideration to the recommendations of the various fiscal courts with reference to the selection of secondary and rural roads for construction, reconstruction or maintenance and shall, provided agreement is reached, proceed to construct, reconstruct or maintain such roads as are agreed upon in accordance with the provisions of KRS Chapters 177 and 179.

(2) Where the construction of a secondary or rural road through an incorporated town of the fifth or sixth class is necessary, as determined by the bureau of highways, it shall not be necessary for the bureau of highways to consult with the fiscal court of the county wherein the said town is situated and said road may be constructed, reconstructed or maintained at the discretion of the bureau of highways.

Section 3. KRS 177.340 is amended to read as follows:

If, within thirty (30) days after receiving recommendations from any fiscal court *that has not accepted responsibilities for construction, reconstruction and maintenance of rural and secondary roads*, the bureau of highways and the fiscal court shall fail to agree on the selection of any secondary or rural roads for construction, reconstruction or maintenance, the bureau may proceed toward the construction, reconstruction or maintenance of any road, lying within a county with which agreement has not been reached, which, in its discretion, is essential to a system of secondary highways. Secondary or rural road or roads, constructed, reconstructed or maintained in accordance with agreement between the affected county and the bureau, or selected for construction, reconstruction or maintenance by the bureau, at its discretion, without agreement with the affected county, may become a part of the highway system of the Commonwealth of Kentucky at the discretion of the bureau of highways.

Section 4. KRS 177.350 is amended to read as follows:

The bureau of highways is authorized to establish standards for the construction, reconstruction, maintenance and improvement of secondary and rural roads in *counties that have not accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads* [~~the Commonwealth of Kentucky~~]; to continue such studies, make such surveys, prepare such maps, employ such personnel and obtain such equipment as may be necessary for the establishment and maintenance of an integrated system of secondary and rural roads in *counties that have not accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads* [~~the Commonwealth of Kentucky~~].

Section 5. KRS 177.360 is amended to read as follows:

(1) The *department of finance* [~~bureau of highways~~] shall allocate the funds set apart for construction, reconstruction and maintenance of secondary and rural highways by the provisions of KRS 138.220 as follows:

(a) One-fifth (1/5) shall be apportioned equally among the one hundred twenty (120) counties.

(b) One-fifth (1/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the rural population of each county bears to the total rural population of the state. "Rural population" as used here means the population in a county outside cities, towns and urban areas having a population of twenty-five hundred (2,500) or more as shown by the most recent decennial census of the United States bureau of the census, and county population shall be determined by the most recent decennial census of the United States bureau of the census.

(c) One-fifth (1/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio that the public road mileage outside of cities, towns and urban areas having a population of twenty-five hundred (2,500) or more bears to the total mileage of such roads for the entire state.

(d) Two-fifths (2/5) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the square-mile rural area of the county bears to the total square-mile rural area of the state. "Rural area" as used here means that area of the county outside of cities, towns and urban areas having a population of twenty-five hundred (2,500) or more and shown by the most recent decennial census of United States bureau of the census.

(2) A pro rata share of the allocation to each county *that has not accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads* shall be deducted at the beginning of each fiscal year and adjusted quarterly to cover the maintenance, administrative, engineering and other costs of the program.

(3) [~~Of the total amount apportioned by the provisions of this section,~~] A sum not exceeding six percent (6%) *of the pro rata share of the allocation to each county that has not accepted responsibility for construction, reconstruction and maintenance of rural and secondary roads shall* [~~may~~] be deducted and placed by the bureau of highways in a special emergency account to be expended at the direction of the commissioner of highways to meet unforeseen emergencies on rural and secondary roads and bridges *in such counties.*

(4) Apportionments as required by the provisions of this section shall be made on the basis of revenue estimates supplied by the department of revenue and adjusted quarterly in accordance with the most recent revision of the estimates by the department of revenue.

Section 6. KRS 176.070 is amended to read as follows:

(1) After surveys, plans, specifications and estimates have been completed for any road or section thereof, and the type and character of the road has been determined, and the right-of-way obtained, the bureau shall advertise by publication pursuant to KRS Chapter 424, for bids on the work, and may contract for the purchase of all materials necessary for the construction and maintenance of roads.

(2) Before advertising for bids for the construction or reconstruction of any highway, the bureau may determine the type of improvement desired, and may advertise and receive bids for only the types determined. The advertisement shall make it generally known that the work is to be done, and shall state the place where the bidders may examine the plans and specifications.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section or any other provision of the law to the contrary, advertisement for bids may be in a total design-bid basis; a package system commonly referred to as "turnkey". Bids shall be reviewed by the state highway engineer to assure quality, value, competition and compliance with bid procedures.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions:

Representative Barrows, **HJR 36;** Representative Boswell, **HB 358;** Repesentative Burnette, **HB 803;** Representative Moore, **HB 6, HB 34, HB 727.**

Representative Boswell moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Boswell moved the adoption of the following **HR 96:**

HR 96, A RESOLUTION adjourning the House of Representatives in honor of Earle Chester Clements.

WHEREAS, Earle Chester Clements was born on a farm in Union County, son of Aaron W. and Sallie Tuley Clements; and

WHEREAS, Earle Clements graduated from Morganfield High School, class of 1915, and entered the University of Kentucky College of Agriculture. During the 1915-16 season, Clements played on one of U.K.'s winning football teams and was selected to the "All Southern" eleven in 1916; and

WHEREAS, from 1920 until 1931, Earle Clements coached the Morganfield High School football team; and

WHEREAS, Earle Clements' political career began when he was elected Sheriff of Union County in 1922. Clements served as Sheriff until 1926 when he was elected County Clerk of Union County; and

WHEREAS, Earle Clements served as County Clerk until 1934 when he was elected to the office of Union County Judge; and

WHEREAS, Earle Clements served as County Judge until 1941, at which time he began his campaign for the legislature; and

WHEREAS, from 1942 to 1944, Earle Clements was a member of the State Senate from the Fourth District, serving the constituents of Union, Webster, and Henderson Counties; and

WHEREAS, Earle Clements was Democratic floor leader in 1944; and

WHEREAS, in 1944, Earle Clements was elected to the 79th Congress and was re-elected to the 80th Congress in 1946; and

WHEREAS, Earle Chester Clements resigned his seat in the U.S. House of Representatives to become the 47th Governor of the Commonwealth of Kentucky; and

WHEREAS, in 1950, Earle Clements furthered his political career as he was successful in his campaign for the U.S. Senate; and

WHEREAS, during his tenure as Governor of the Commonwealth, Clements was instrumental in the beginning of construction on a new $6 million Capitol Annex building, witnessed the lowering of racial barriers, and the riddance of the $5,000 salary limit on public officials. Clements also helped establish a long-range economic survey for Kentucky's industrial growth and development;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this prestigious body is proud to honor one of its senior Statesmen.

Section 2. That when the House does adjourn this day, Friday, March 19, 1982, it does so in honor of Earle Chester Clements.

HR 96 was adopted by voice vote.

Representative Little moved the adoption of the following Legislative Citations No. 60 and 61. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates All-American, Todd May, outstanding basketball player and a Senior at Virgie High School, Pike County and the son of Leon and Janice May. Your superior rating is most creditable and impressive, 30.7 points a game with a total of 932 for the season; highest scoring game 40 points and exceeding 17.8 rebounds for the season. Perseverance, hard work, dedication and school loyalty are most evident and rewarding in helping you qualify as an All-State player and attaining your goals. You have brought great pride and inspiration to your school, community and the Commonwealth of Kentucky. We salute you and wish you much success in the State Tournament and your futur endeavors. (Sponsored by Representative Little)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Virgie High School Basketball Team, your Coach Bobby Osborne, assistant Coaches Carl Johnson and Richard Hopkins, for winning the Boys' Fifteenth Region Basketball Tournament. Your excellent record of 31-2 reflects hard work, school loyalty; competitive spirit and a positive team effort. Your outstanding victory is an expressed manifestation of your high level of performance. This prestigious body extends our best wishes for success in the Boys' "Sweet Sixteen" State Tournament at Rupp Arena in Lexington, Kentucky, March 24-27, 1982. (Sponsored by Representative Little)

Adjournment

Representative LeMaster moved that the House adjourn until 2:00 p.m., Monday, March 22, 1982.

On the roll call the vote was yeas 35-Arnold, Bennett, Boswell, Burch, Clapp, Clark, Clarke, Craddock, Crupper, Donnermeyer, Dunn, Farrow, Freibert, Hancock, Hines, Holloway, Johnson, Kenton, Kidd, List, McBee, Moberly, O'Brien, Petty, Priddy, B. Richardson, P. Richardson, Riner, F. Smith, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 4-Blevins, Holbrook, Schmidt, Worthington.

The motion to adjourn was adopted.

MONDAY, MARCH 22, 1982

FIFTIETH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 19, 1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

HB 133, HB 196, HB 239, HB 269, HB 298, HB 328, HB 425, HB 463, HB 467, HB 479, HB 501, HB 543, HB 565, HB 594, HB 595, HB 632, HB 756, and **HCR 47** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SB 402.**

Banking and Insurance: **SB 374.**

Business Organizations and Professions: **SB 146.**

Judiciary-Civil: **SB 149, SB 383.**

Judiciary-Criminal: **SB 345, SB 346.**

Natural Resources and Environment: **SB 267, SB 385, SB 380.**

State Government: **SB 404, SB 369, SB 353.**

Report of Committees

The Committee on Rules reported **HB 282, HB 821, HB 768, HB 627, HB 639, HB 657, HB 742, HB 777, HB 230, HB 534, HB 649, HB 684, HR 40, HR 66, SB 207, SB 234, SB 197, SB 204, SB 220, SB 250, SJR 38,** and **SR 10** have been posted for passage in Orders of the Day, March 23, 1982.

The Committee on Rules reported the following Bills have been recommitted:

State Government: **HB 606.**

Agriculture and Small Business: **HB 549.**

Cities: **HB 667.**

Appropriations and Revenue: **HB 497.**

Judiciary-Criminal: **SB 198.**

Posting of Bills and Resolutions for Consideration

The Clerk announced **SB 230** has been posted for Committee consideration by the Committee on Judiciary-Civil.

Calendar

HB 428, HB 757, SB 341, SB 315, SB 247, SB 386, SB 393, SB 394, HB 637, HB 727, SB 348, HB 222, HB 580, SB 77, HB 464, and **HB 783** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

Representative LeMaster moved that **SB 137** be recommitted to the Committee on Appropriations and Revenue. Agreed.

SB 219 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved that **SB 219** be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

SB 219 was passed and the title agreed to.

Representative Noe moved that the vote by which **SB 219** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 119 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 119** be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Worthington. Nays 0.

SB 119 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 119** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 145, with Floor Amendment attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 145** be passed.

Representative Van Horn moved the adoption of Floor Amendment No. 1 to **SB 145.** Agreed.

Representative Boswell moved that **SB 145,** as amended, be passed.

On the roll call the vote was yeas 81-Allen, Arnold, Barrows, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, McBee, Meyer, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 145, as amended, was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 145,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 153, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Jones moved the adoption of the Committee Substitute to **HB 153.** Agreed.

Representative Williams moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 153.** Agreed.

Representative R. Jones moved that **HB 153,** by way of Committee Substitute as amended, be passed.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 47-Allen, Arnold, Blandford, Blevins, Brown, Bruce, Burnette, Clapp, Clark, Craddock, Crupper, Curd, Dawahare, Ellington, Endicott, Foster, Haering, Hancock, Handy, Head, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, List, Long, McNutt, Morris, Nett, Noland, O'Brien, Patrick, Pearman, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, Stumbo, Thomas, Todd, Turner, White, Worthington. Nays 49-Barrows, Bendl, Bennett, Boswell, Bronger, Burch, Clarke, Cowan, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Harper, Heleringer, Hines, Johnson, T. Jones, Layman, LeMaster, Lile, Little, Lundergan, Maggard, Mann, Meyer, Moberly, Moore, Noe, Overstreet, Perkins, Petty, Priddy, Rattliff, B. Richardson, Robinson, Seum, F. Smith, Stone, Thomason, Tobin, Van Horn, Williams, Yates.

HB 153, by way of Committee Substitute as amended, was defeated.

HB 397 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved that **HB 397** be passed.

On the roll call the vote was yeas 33-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Cline, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Freibert, Guenthner, Haering, Handy, Heleringer, Johnson, List, Little, Lundergan, Maggard, Meyer, Noe, Petty, Priddy, Seum, F. Smith, Van Horn, Worthington, Yates. Nays 45-Allen, Brinkley, Bruce, Burnette, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Deskins, Farrow, Ford, Foster, Fryman, Gray, Hancock, Holbrook, Holloway, Layman, Lefevers, Lile, Long, McNutt, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Perkins, Rapier, Rattliff, Richards, P. Richardson, Robinson, B. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, White.

HB 397 was defeated.

HB 6, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved the adoption of Floor Amendment No. 1 to **HB 6.** Agreed.

Representative Heleringer moved that **HB 6,** as amended be passed.

On the roll call the vote was yeas 59-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Gray, Guenthner, Haering, Handy, Heleringer, Hines, Kenton, Kidd, LeMaster, Little, Long, Lundergan, Mann, Moberly, Nett, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, P. Richardson, Riner, Robinson, Schmidt, Seum, F. Smith, Stumbo, Thomas, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 28-Brinkley, Burnette, Clapp, Clarke, Ellington, Foster, Freibert, Hancock, Harper, Head, Holloway, Johnson, T. Jones, Layman, Lile, List, McBee, McNutt, Meyer, Morris, O'Brien, Patrick, Rattliff, B. Smith, Stone, Thomason, Todd, Turner.

HB 6, as amended, was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 6,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 330, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Substitute to **HB 330.** Agreed.

Representative LeMaster moved that **HB 330,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Gray, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Layman, LeMaster, Lile, List, Little, Long, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Yates. Nays 0.

HB 330, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 330,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 688 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **HB 688** be passed.

On the roll call the vote was yeas 82-Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Worthington, Yates. Nays 5-Allen, Handy, Rattliff, Seum, Turner.

HB 688 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 688** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 724 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 724** be passed.

On the roll call the vote was yeas 95-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Williams, Worthington, Yates. Nays 0.

HB 724 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 724** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 732 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved that **HB 732** be passed.

On the roll call the vote was yeas 41-Arnold, Barrows, Bendl, Blandford, Boswell, Brown, Clark, Clarke, Cowan, Crupper, Curd, Hancock, Handy, Head, Hines, Holbrook, Johnson, T. Jones, Kenton, LeMaster, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Noe, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, B. Smith, Stumbo, Thomas, Thomason, Tobin, Williams. Nays 56-Allen, Bennett, Blevins, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Cline, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Harper, Heleringer, Holloway, Layman, Lefevers, Lile, List, Little, Maggard, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Priddy, Rattliff, Riner, Robinson, Schmidt, Seum, F. Smith, Stone, Todd, Turner, Van Horn, White, Worthington, Yates.

HB 732 was defeated.

The Speaker resumed the Chair.

Senate Message

Announcing passage of **HB 87, HB 247, HB 314, HB 363, HB 469, HB 498, HB 598, HB 683, HCR 46,** and **HCR 49.**

Orders of the Day (continued)

HB 746, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved the adoption of Floor Amendment No. 7 to **HB 746.**

On the roll call the vote was yeas 49-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Haering, Handy, Hines, Johnson, T. Jones, Kenton, Kidd, LeMaster, Little, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Noland, Overstreet, Perkins, Priddy, Rapier, Robinson, F. Smith, Stone, Stumbo, Van Horn, White, Williams, Yates. Nays 45-Allen, Arnold, Bruce, Burnette, Clarke, Craddock, Crupper, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Harper, Head, Heleringer, Holbrook, Holloway, R. Jones, Layman, Lefevers, Lile, List, Long, Lundergan, McNutt, Morris, O'Brien, Patrick, Pearman, Petty, Rattliff, Richards, P. Richardson, Schmidt, Seum, B. Smith, Thomas, Thomason, Tobin, Todd, Turner.

Floor Amendment No. 7 to **HB 746** was adopted.

Representative Gray moved the adoption of Committee Amendment No. 1, as amended, to **HB 746.** Agreed.

Representative Holloway moved the adoption of Committee Amendment No. 2 to **HB 746.** Agreed.

Representative Van Horn moved the adoption of Floor Amendment No. 6 to **HB 746.** Rejected.

Representative Gray moved that **HB 746,** as amended, be passed.

Representative Lundergan moved the adoption of Floor Amendment No. 1 to **HB 746.**

On the roll call the vote was yeas 52-Allen, Arnold, Blevins, Burch, Burnette, Cline, Cowan, Craddock, Crupper, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Hancock, Harper, Head, Heleringer, Holbrook, R. Jones, T. Jones, Kenton, Layman, Lefevers, Lile, List, Long, Lundergan, McNutt, Moore, Morris, Noe, Noland, O'Brien, Patrick, Pearman, Petty, Rapier, Rattliff, Richards, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Thomas, Thomason, Turner, Worthington. Nays 44-Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Clapp, Clark, Clarke, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Haering, Handy, Hines, Johnson, Kidd, LeMaster, Little, Maggard, Mann, McBee, Meyer, Moberly, Nett, Perkins, Priddy, B. Richardson, Riner, Stone, Stumbo, Tobin, Todd, Van Horn, White, Williams, Yates.

Floor Amendment No. 1 to **HB 746** was adopted.

Representative Lundergan moved the adoption of Floor Amendment No. 2 to **HB 746.**

On the roll call the vote was yeas 28-Allen, Craddock, Crupper, Ellington, Ford, Foster, Fryman, Guenthner, Hancock, Harper, Holloway, R. Jones, Lefevers, Lile, Lundergan, McBee, Moore, Patrick, Pearman, Petty, Rapier, P. Richardson, Robinson, Schmidt, B. Smith, Todd, Turner, Worthington. Nays 58-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Gray, Haering, Handy, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, LeMaster, Little, Long, Maggard, Mann, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, Overstreet, Perkins, Priddy, Rattliff, B. Richardson, Riner, Seum, F. Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, Williams, Yates.

Floor Amendment No. 2 to **HB 746** was rejected.

Representative Lundergan moved the adoption of Floor Amendment No. 4 to **HB 746.**

On the roll call the vote was yeas 39-Allen, Arnold, Blevins, Burnette, Craddock, Crupper, Ellington, Endicott, Ford, Freibert, Fryman, Guenthner, Harper, Head, Heleringer, Holbrook, Holloway, Layman, Lefevers, Lile, List, Lundergan, McNutt, Morris, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Rapier, Rattliff, P. Richardson, Robinson, Schmidt, B. Smith, Todd, Turner, Worthington. Nays 52-Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Clarke, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Haering, Handy, Hines, Johnson, T. Jones, Kenton, Kidd, LeMaster, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Perkins, Priddy, Richards, Riner, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates.

Floor Amendment No. 4 to **HB 746** was rejected.

Representative Lundergan moved the adoption of Floor Amendment No. 5 to **HB 746.** Rejected.

Representative Gray moved that **HB 746,** as amended, be passed.

Representative Turner moved that **HB 746,** as amended, be laid on the Clerk's desk. Rejected.

On the roll call the vote was yeas 66-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Gray, Haering, Handy, Heleringer, Hines, Johnson, R. Jones, T. Jones, Kenton, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Priddy, B. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 20-Allen, Ellington, Ford, Foster, Freibert, Fryman, Holloway, Layman, Lefevers, List, Lundergan, McNutt, Patrick, Petty, Rapier, Rattliff, Robinson, Schmidt, Todd, Turner.

HB 746, as amended was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 746,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 7, SB 231, SB 356, HB 574** with Senate Amendment, **HB 97, HB 559,** and **HB 658.**

Speaker Pro Tempore Thomason presiding.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 143, HB 200,** and **HB 342** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 4:45 p.m.)

HB 143, HB 200, and **HB 342** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HB 770, with Committee Substitute attached thereto, taken from orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Committee Substitute to **HB 770.** Agreed.

Representative Kenton moved that **HB 770,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Mann, McBee, Meyer, Moberly, Morris, Noe, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Van Horn, White, Worthington, Yates. Nays 2-Fryman, Robinson.

HB 770, by way of Committee Substitute, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 770,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 781, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Substitute to **HB 781.** Agreed.

Speaker Richardson presiding.

Representative Priddy moved that **HB 781,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 79-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Gray, Guenthner, Haering, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, O'Brien, Overstreet, Patrick, Perkins, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 2-T. Jones, Thomas.

HB 781, by way of Committee Substitute, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 781,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 440, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Substitute to **HB 440.** Agreed.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 440.** Agreed.

Representative Arnold moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 440.** Agreed.

Representative Arnold moved that **HB 440,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 3-Craddock, Pearman, Tobin.

HB 440, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 440,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 441, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Speaker Pro Tempore Thomason presiding.

Representative Arnold moved the adoption of the Committee Amendment No. 1 to **HB 441.** Agreed.

Representative Arnold moved the adoption of the Floor Amendment No. 1 to **HB 441.** Agreed.

Representative Arnold moved that **HB 441,** as amended, be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White. Nays 4-Freibert, Fryman, Overstreet, Pearman.

HB 441, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 441,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 456, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved the adoption of the Floor Amendment No. 2 to **HB 456.** Agreed.

Representative Mann moved the adoption of the Committee Amendment No. 2 to **HB 456.** Agreed.

Representative Mann moved the adoption of the Committee Amendment No. 3 to **HB 456.** Agreed.

Representative Mann moved that **HB 456,** as amended, be passed.

Representative Lundergan moved that **HB 456,** as amended, be laid on the Clerk's desk.

On the roll call the vote was yeas 5-Freibert, Fryman, Heleringer, Little, Lundergan. Nays 61-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Ellington, Ford, Foster, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, List, Long, Maggard, Mann, McBee, Meyer, Nett, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, F. Smith, Stone, Thomas, Tobin, Turner, Van Horn, White, Williams, Yates.

The motion that **HB 456,** as amended, be laid on the Clerk's desk was rejected.

On the roll call the vote was yeas 78-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, List, Long, Lundergan, Maggard, Mann, McBee, Moberly, Morris, Nett, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Yates. Nays 11-Dawahare, Freibert, Haering, Lile, Little, O'Brien, Riner, Robinson, Seum, Stumbo, Worthington.

HB 456, as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 456,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 160, SB 177, SB 274,** and **SB 285** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 5:25 p.m.)

Orders of the Day (continued)

HB 544 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 544** be passed.

On the roll call the vote was yeas 61-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Foster, Guenthner, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moore, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Robinson, Schmidt, Seum, F. Smith, Stone, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 13-Clarke, Cline, Ford, Freibert, Fryman, Haering, Handy, R. Jones, Lile, List, Morris, Pearman, Todd.

HB 544 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 544** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 266 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved that **SB 266** be passed.

On the roll call the vote was yeas 78-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 4-Allen, Cline, Haering, McNutt.

SB 266 was passed and the title agreed to.

Representative Curd moved that the vote by which **SB 266** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 233, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved that **SB 233** be passed.

On the roll call the vote was yeas 74-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Clark, Clarke, Cline, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson,Schmidt, Seum, B. Smith, F. Smith, Stone, Todd, Turner, Van Horn, White, Williams, Yates. Nays 1-Burnette.

SB 233 was passed and the title agreed to.

Representative Nett moved that the vote by which **SB 233** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 222 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **SB 222** be passed.

On the roll call the vote was yeas 82-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell,Brinkley, Bronger, Brown, Bruce, Burnette, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Cline.

SB 222 was passed and the title agreed to.

Representative Farrow moved that the vote by which **SB 222** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 229 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cowan moved that **SB 229** be passed.

On the roll call the vote was yeas 71-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, Layman, LeMaster, Lile, Long, Maggard, Mann, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 0.

SB 229 was passed and the title agreed to.

Representative Cowan moved that the vote by which **SB 229** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 235 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **SB 235** be passed.

Representative LeMaster moved that **SB 235** be laid on the Clerk's desk. Agreed.

Representative LeMaster moved that the rules be suspended to take **SB 235** from the Clerk's desk and place it in Orders of the Day for March 23, 1982. Agreed.

SB 255 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 255** be passed.

On the roll call the vote was yeas 88-Allen, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Brown.

SB 255 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 255** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 283, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Harper moved the adoption of the Committee Amendment No. 1 to **SB 283.** Agreed.

Representative Harper moved the adoption of the Committee Amendment No. 2 to **SB 283.** Agreed.

Representative Harper moved that **SB 283,** as amended, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Cline, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Harper, Holbrook, Holloway, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Morris, Nett, Noland, Overstreet, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 16-Barrows, Boswell, Brown, Clark, Cowan, Crupper, Farrow, Handy, Head, T. Jones, Meyer, Moberly, O'Brien, Perkins, Riner, Seum.

SB 283, as amended, was passed and the title agreed to.

Representative Harper moved that the vote by which **SB 283,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 717, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committee Amendment No. 1 to **HB 717.** Agreed.

Representative LeMaster moved the adoption of the Committee Amendment No. 2 to **HB 717.** Agreed.

Representative LeMaster moved that **HB 717,** as amended, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Turner, White, Worthington, Yates. Nays 4-Dawahare, Layman, Todd, Van Horn.

HB 717, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 717,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 87, HB 97, HB 247, HB 314, HB 363, HB 469, HB 498, HB 559, HB 598, HB 658, HB 683,** and **HCR 49** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Senate Message

Announcing passage of **SB 111, HB 429** with Senate Amendments, **HB 484** with Senate Amendment, **HB 537** with Senate Amendments, **HB 396,** and **HB 731.**

Orders of the Day (continued)

SJR 27 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Craddock moved that **SJR 27** be adopted.

On the roll call the vote was yeas 76-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Clapp, Clark, Cline, Cowan, Craddock, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moore, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 0.

SJR 27 was adopted and the title agreed to.

Representative Craddock moved that the vote by which **SJR 27** was adopted be reconsidered and said motion be placed on the table. Agreed.

815 KAR 20:030 taken from Orders of the Day. Representative LeMaster moved that it be acted upon. Agreed.

Representative O'Brien moved that the report of the Committee on State Government that Proposed Regulation 815 KAR 20:030 be disapproved be adopted.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Dawahare, Deskins, Dunn, Endicott, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, White. Nays 3-Barrows, Cyrus, Yates.

The report of the Committee on State Government on Proposed Regulation 815 KAR 20:030 was adopted.

Representative Craddock moved that the vote by which the Report of the Committee on State Government disapproving the Proposed Regulation 815 KAR 20:030 was adopted be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative LeMaster moved that the House recess for ten minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 4 to Committee Substitute to **HB 264,** by Representative Stumbo:

Amend printed copy of Committee Substitute to **HB 264,** page 2, line 7, following the word "highways", by inserting the following: "or any road designated as a resource recovery road pursuant to KRS 175.640 to 175.690"

and on page 2, line 20, following the word "bridges", by inserting the following: "or any road designated as a resource recovery road pursuant to KRS 175.640 to 175.690"

Floor Amendment No. 5 to **HB 264,** by Representative Stumbo:

Amend printed copy of **HB 264,** page 1, line 3, following the word "roads", by inserting the following: ", except those roads designated as resource recovery roads pursuant to KRS 175.640 to 175.690,"

Floor Amendment No. 1 to Committee Substitute to **HB 369,** by Representative Blevins:

Amend printed copy of Committee Substitute to **HB 369,** page 10, lines 12-18, by deleting all the language following the paragraph number "*(3)*" and substituting in lieu thereof he following language:

"*Within one (1) year from the effective date of this Act, any person who is currently practicing or has previously practiced as a mental health counselor or associate mental health counselor or marital and family therapist shall receive automatic licensure or certification following payment of an initial license or certificate fee, as provided in this Act, without requirement of an examination.*"

Floor Amendment No. 1 to **HB 397,** by Representative Worthington:

Amend printed copy of **HB 397,** on page 1, lines 1-20, by deleting said lines in their entirety.

and on page 2, lines 1-22, by deleting said lines in their entirety and inserting the following language in lieu thereof:

"Section 1. KRS 190.270 is amended to read as follows:

(1) It is unlawful for any person to advertise for sale, to sell, to use, or to install or to have installed, any device which causes an odometer to register any mileage other than the true mileage driven. For purposes of this section, the true mileage driven is that mileage the vehicle has been driven as registered by the odometer within the manufacturer's designed tolerance.

(2) It is unlawful for any person or his agent to disconnect, reset, or alter the odometer of any motor vehicle with the intent to change the number of miles indicated thereon.

(3) It is unlawful for any person with the intent to defraud to operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional.

(4) The bureau shall establish the following suspension and revocation schedule for dealer and manufacturer violations:

(a) First court conviction - probation period of one (1) year;

(b) Second and subsequent court convictions - thirty (30) day suspension per conviction; and

(c) Eight court convictions - revocation of dealer's license to operate.

For the purpose of suspension or revocation, if a party is convicted of multiple offenses by the court in a single appearance, said convictions shall be construed by the bureau as one offense. The revocation and suspension schedule shall be retroactive to offenses committed as of July 1, 1976, unless a dealer or manufacturer has served a suspension or revocation through previous action of the bureau."

Floor Amendment No. 1 to Committee Substitute to **HB 487,** by Representative Brinkley:

Amend printed copy of Committee Substitute to **HB 487,** page 5, line 1, by placing a bracket before "having" and striking through "having a"; and

on page 5, by striking through line 2 in its entirety; and on page 5, line 3, by striking through "deposits and" and by placing a bracket after "and".

Floor Amendment No. 1 to **HB 534,** by Representative Nett:

Amend printed copy of **HB 534,** page 42, after line 5, by adding the following language:

SECTION 16. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

The provisions of any other statute to the contrary notwithstanding, food exempted from sales and use taxes under the provisions of KRS 139.485, shall also be exempt from price controls or pricing regulation, whether such controls or regulations are imposed by statute or by administrative regulation.

Floor Amendment No. 2 to **HB 622,** by Representative Richards:

Amend printed copy of **HB 622,** page 1, line 7, after "*earnings*" by adding "*which have been credited to the general fund and the anticipated investment earnings*".

Floor Amendment No. 3 to **HB 622,** by Representative Richards:

Amend printed copy of **HB 622,** page 19, line 14, by deleting "*(1)*"; and on

page 19, lines 22 through 26, by deleting same; and on

page 20, lines 1 through 11, by deleting same.

Floor Amendment No. 1 to **HB 639,** by Representative Williams:

Amend printed copy of **HB 639,** page 15, after line 15, by adding the following:

"SECTION 13. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

Every gasoline service station shall have restroom facilities available to the public."

Floor Amendment No. 2 to **HB 639,** by Representative Van Horn:

Amend printed copy of **HB 639,** page 15, after line 15, by adding the following:

"Section 13. KRS 177.240 is amended to read as follows:

(1) The highway authorities of the state, county, city, town, and village are authorized to so design any limited access facility and to so regulate, restrict, or prohibit access as to best serve the traffic for which such facility is intended; and its determination of such design shall be final. In this connection such highway authorities are authorized to divide and separate any limited access facility into separate roadways by the construction of raised curbings, central dividing sections, or other physical separations, or by designating such separate roadways by signs, markers, stripes, and the proper lane for such traffic by appropriate signs, markers, stripes, and other devices. No person shall have any right of ingress or egress to, from or across limited access facilities to or from abutting lands, except at such designated points at which access may be permitted, upon such terms and conditions as may be specified from time to time.

(2) The bureau of highways shall construct or cause to be constructed on all interstate highways and toll roads suitable public facilities, which shall include restrooms which shall be available to the motoring public on a twenty-four (24) hour basis."

Floor Title Amendment to **HB 639,** by Representative Van Horn:

Amend printed copy of **HB 639,** page 1, title, by amending the title to read as follows: "AN ACT relating to sewage disposal."

Floor Title Amendment to **HB 643,** by Representative Hancock:

Amend printed copy of **HB 643,** page 1, title, amend the title by deleting: "and making an appropriation therefor".

Floor Amendment No. 1 to **HB 682,** by Representative Donnermeyer:

Amend printed copy of **HB 682,** page 16, line 14, by placing brackets and strike through around the "[~~and a~~]", and by placing brackets and strike through around line 15

and on line 16 by placing brackets and strike through around the "[~~voter's statement~~]"

and on page 17, line 10, by deleting the following: "*The application*"

and by deleting lines 11 and 12

and on page 18, line 3, by placing brackets and strike through around the "[~~and a verified statement of a~~]"

and on line 4, by placing brackets and strike through around the "[~~physician corroborating the voter's statement~~]"

and by deleting lines 22-24

Floor Amendment No. 2 to **HB 682,** by Representative Kenton:

Amend printed copy of **HB 682,** page 1, line 4, after the word "*the*" by adding the word "*boundary*" and by deleting the word "*name*"

and on line 5 after the word "by" by adding the word "*precinct*"

and by deleting lines 7 and 8

and on page 14, line 24, by deleting the following: "*Without exception the county board of*"

and by deleting lines 25 and 26

and on page 15, by deleting lines 1-3

and on line 4 by deleting the following: "*the state board of elections upon a written request.*"

and on page 24, line 23 by deleting the following: "*The county board of elec-*"

and by deleting lines 24-26

and on page 25, line 1 by deleting the following: "*board.*" and on page 48 by deleting lines 18-19 and on line 20 by deleting the following: "*that occurs in an elective office,*" and on line 20 by adding before the word "*shall*" the following:

"*(6) Whenever a vacancy occurs in an elective office which is required by law to be filled temporarily by appointment, the officer or body designated by law to make the appointment, or in the case of an office to be filled by appointment from a list of nominations, the officer or body designated by law to make the nominations,*"

and on page 26, line 19 by deleting the following: "KRS 117.185 is amended to read as fol-"

and by deleting lines 20-26

and on page 27 by deleting lines 1-12

and on line 13 by deleting the following: "Section 15."

and on page 28, line 18 by deleting "16", and after the word "Section" by inserting "15"

and on page 29 by deleting lines 20-26

and by deleting pages 30 and 31 in their entirety

and on page 32, by deleting lines 1-8 and on line 9 by deleting "18", and after the word "Section" by inserting "16"

and on page 33, line 2 by deleting "19", and after the word "Section" by inserting "17"

and on page 35 by deleting lines 2-26

and on page 36 by deleting lines 1-6

and by renumbering subsequent sections accordingly

Floor Amendment No. 1 to **HB 777,** by Representative Rattliff:

Amend printed copy of **HB 777,** page 1, before line 1, by adding the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 522 IS CREATED TO READ AS FOLLOWS:

(1) A member of the executive branch is guilty of official misconduct when he knowingly:

(a) Attempts to influence an individual legislator; or

(b) Promises to support an individual piece of legislation; or

(c) Calls an individual legislator off the floor of the house of representatives or senate during a duly convened session; or

(d) Offers to transport an individual legislator in a state supported helicopter; or

(e) Suggests that an individual legislator 'trust me.'

(2) Official misconduct by a member of the executive branch is a Class D felony."

and on line 1, by changing "Section 1." to "Section 2."

Floor Amendment No. 6 to **HB 810,** by Representative Stumbo:

Amend printed copy of **HB 810,** page 14, after line 15, by adding the following:

SECTION 11. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.

(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation. On or before August 15, 1983 and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources have been transported as reported in the transportation plan required by KRS 350.060 (1). The department shall further publish the total county mileage of the offical natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county.

SECTION 12. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Any individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources, who has filed an application for a certificate of registration in accordance with KRS 143.030 or 143A.050, shall be issued a permit upon application. Any operator shall apply for the resource recovery road hauling permits by September 1, 1982, and remit the appropriate fees on or before October 1, 1982. After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time and in the same manner as the tax levied under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources transported by the permittee over the roads of the Commonwealth, except as provided by in Section 6(4) of this Act. For purposes of this section, "gross value" shall mean gross value as defined in KRS 143.010(6).

(5) No person shall transport natural resources over the highways of the Commonwealth in excess of the weight limits without possessing a resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 2 of this Act.

(2) The form prescribed by the department shall include the following information:

(a) Resource recovery road hauling permit number;

(b) Weight of the vehicle including load;

(c) Motor carrier registration number and the name of the motor carrier operator;

(d) The name of the mining company or individual operator;

(e) The motor carrier destination; and

(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

SECTION 14. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 3(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members, three (3) to be appointed by the governor from a list submitted by the secretary of the department of transportation, and one (1) each to be appointed by the speaker of the house of representatives and the president pro tem of the senate. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year, two (2) members shall be appointed for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition, the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

Section 15. KRS 143.030 is amended to read as follows:

(1) Every individual, partnership, joint venture, association, or corporation engaged in severing [~~and/~~]or processing *natural resources* [~~coal~~] shall, prior to July 1, 1978, or prior to severing [~~and/~~]or processing *natural resources* [~~coal~~] in this Commonwealth, file an application for a certificate of registration in such form as the department may prescribe *and the application shall be accompanied by a copy of the transportation plan as required by KRS 350.060.* Every application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application.

(2) On or before the twentieth day of the month following the reporting period in which any *natural resources are* [~~coal is~~] severed [~~and/~~]or processed, the taxpayer severing [~~and/~~]or processing such *natural resources* [~~coal~~] shall file with the department a tax return in such form as the department may require and remit the amount of the tax due. *The tax return shall also include the payment of the fees required in Section 2(4) of this Act.* A tax return is required for each reporting period even though there may be no tax liability.

(3) Whenever any taxpayer fails to comply with any provisions of this chapter, or any rule or regulation of the department relating thereto, the department may order the suspension or revocation of the certificate of registration held by such taxpayer.

(4) Any taxpayer, including any officer of a corporation, who conducts a *natural resources* [~~coal~~] severing and/or processing operation in this state without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months or both such fine and imprisonment.

SECTION 16. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 2(4) of this Act, state appropriations gift, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 2(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, may review said operator's transportation plan; if it is determined that the roads and bridges included in said plan are sufficient to withstand proposed traffic volume, the secretary may allow the issuance of a permit at a reduced fee. The fee shall not be lower than one-tenth (1/10) of one (1) percent, except that any operator whose transportation plan limits use of county resource recovery roads or state roads or highways to five hundred (500) yards or less shall pay no fee.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the transportation plans as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the transportation plan as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 2(4) of this Act and distribute said funds in accordance with the provisions in Section 8 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road systems within six (6) months of receipt of the distributed funds. Any distributed funds not expended within six (6) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 18. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 2(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of total resource recovery mileage in a county as designated by the transportation plan filed under KRS 350.060 and the ratio of total resource recovery road mileage as designated by said plan.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program.

Floor Amendment No. 5 to **SB 2,** by Representative Mann:

Amend printed copy of **SB 2,** on page 2, lines 9 through 19, by deleting those lines in their entirety and inserting in lieu thereof the following:

"*(6) KRS 189.990 and 189.993 to the contrary notwithstanding, there shall be no penalty for the violation of this section. No peace officer shall issue a uniform citation or any other citation, other than a warning, for a violation of this section nor shall any arrest be permitted for violation of this section.*"

Floor Amendment No. 6 to **SB 2,** by Representative Gray:

Amend printed copy of **SB 2,** page 2:

A NEW SECTION IS CREATED TO READ AS FOLLOWS:

"Failure to comply with subsections (1) through (5) of this Act shall not result in any citation, fine, or court costs to the operator of any vehicle as therein defined."

Floor Amendment No. 1 to **SB 18,** by Representative Farrow:

Amend printed copy of **SB 18,** page 1, line 13, by removing the period after the word prescription and adding thereto "*or eminent domain.*"

Floor Amendment No. 2 to **SB 250,** by Representative Petty:

Amend printed copy of **SB 250,** page 4, after line 3, by adding a new section as follows:

"Section 2. KRS 289.561 is amended to read as follows:

(1) Any association may convert itself into or merge or consolidate with a federal savings and loan association, as authorized by the home owners' loan act of 1933 (48 Stat. 128) and any amendments or supplements thereto, or laws hereafter enacted in substitution therefor and pursuant to any rules and regulations in accordance therewith.

(2) Before an association may act under subsection (1), [~~the members owning at least two-thirds (⅔) of the outstanding stock must consent in writing to the conversion, merger or consolidation, and after such consent has been given,~~] the board of directors, at any regular meeting by a vote of two-thirds (⅔) of the directors, *shall* [~~may~~] adopt resolutions authorizing the conversion or merger or consolidation.".

Floor Title Amendment to **SB 235,** by Representative Turner:

Amend printed copy of **SB 235,** page 1, title, by amending to read as follows: "AN ACT relating to children."

Floor Amendment No. 1 to **SB 235,** by Representative Turner:

Amend printed copy of **SB 235,** page 1, line 14, by adding following said line the following: "Upon receiving written request by an employe, every employer shall grant reasonable personal leave when the reception of a adoptive child under the age of seven (7) is the reason for such request."

Floor Title Amendment to Committee Substitute to **SJR 10,** by Representative Van Horn:

Amend printed copy of Committee Substitute to **SJR 10,** page 1, title, by amending the title to read as follows: "A JOINT RESOLUTION relating to official designations of Kentucky."

Floor Amendment No. 1 to Committee Substitute to **SJR 10,** by Representative Van Horn:

Amend printed copy of Committee Substitute to **SJR 10,** page 2, after line 7, by adding the following:

"Section 3. That the coon hound is named and designated as the Kentucky state dog.

Section 4. That this designation of the state dog shall not affect existing supplies of state promotional materials.

Section 5. That the state coon hound shall be officially referred to as "Old Blue."

Floor Amendment No. 2 to **HB 534,** by Representative Little:

Amend printed copy of **HB 534,** page 14, line 8, by inserting the following language immediately after the word "*person*": "*corporation, company, partnership, association, or other legal entity*"

line 10, by inserting the following language immediately after the word "lands": "*, unmined minerals, oil, natural gas, and natural gas liquids*"

page 17, line 8, insert semi-colon in place of period and insert the following language:

(i) The value of all unmined minerals appearing on the tax rolls on or before December 31, 1986, shall be considered "real property additions" for each year such value appears on the tax rolls prior to that date. Beginning January 1, 1987, "real property additions" shall include the value of all unmined minerals added to the tax rolls on or after that date for the year in which such value is added to the tax rolls.

on page 21, after line 26 by inserting the following language:

(16) "Unmined minerals" means all forms of minerals which have not yet been mined or removed from the earth including, but not limited to, coal, rock, stone, limestone, shale, gravel, sand, clay, fluorspar, and zinc but excluding oil, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

(17) "Non-extractible unmined mineral interest" means any fee simple interest in unmined minerals of less than one hundred (100) contiguous acres owned by a taxpayer not engaged in the business of extracting or leasing for extraction unmined minerals. "Extractible unmined mineral interest" means all other interests in unmined minerals, including but not limited to fee simple and leasehold interests. Any taxpayer who along or in conjunction with any other person or entity operates a company, corporation, partnership, association or other legal entity that extracts unmined minerals or leases unmined minerals for extraction shall be deemed to be a taxpayer in the business of extracting or leasing for extraction unmined minerals.

on page 25, line 6-10, by deleting lines 6, 7, 8, 9, and in their entirety and inserting in its place the following language:

(5) *On or after January 1, 1982, non-extractible unmined mineral interests, as defined in KRS 132.010, shall be taxed at the rate of one-tenth of one cent ($.001) per one hundred dollars ($100) of assessed value; and extractible unmined mineral interests, as defined in KRS 132.010, shall be taxed at the state ad valorem tax rate applicable to other real property. Any taxable interest in oil, natural gas, or natural gas liquids shall be taxed at the state ad valorem tax rate applicable to other real property. For purposes of this subsection, any jointly held interest in unmined minerals, whether divided or undivided, and any jointly held non-extractible unmined mineral interest or jointly held extractible unmined mineral interest, whether divided or undivided, shall be a single interest for taxation purposes. The owner or joint owners of such interests shall be liable for the payment of any tax due under this subsection. Transfers of any interest in extractible unmined mineral interests which have the effect of avoiding any tax imposed by the provisions of this subsection without any other legitimate business purpose, will subject the taxpayer to the penalty provisions of KRS 132.570 and KRS 132.990, in which case the tax rate applicable to extractible unmined mineral interests will apply the same as if the transfer had not occurred. If necessary, a lien may be taken against the property for payment of any tax due under this subsection*

page 25, line 25, by inserting after the word "property" the following language: , *exclusive of the increase caused by the assessment of unmined minerals, as defined by KRS 132.010, prior to January 1, 1987,*

page 26, line 25, by inserting after the word "revenues," the following language: *exclusive of revenues produced prior to January 1, 1987 by application of the rate to unmined minerals as provided by subsection (5) of this section,*

page 42, after line 5, by adding the following language:

Section 16. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowls;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof), and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (1 ½¢) on each $100 of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4 ½¢) on each $100 of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) *On and after January 1, 1982, non-extractible unmined mineral interests, as defined in KRS 132.010* [~~On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests~~];

(12) On and after January 1, *1982* [~~1977~~], the assessed value of *all interests in* unmined *minerals, as defined in KRS 132.010* [~~coal~~] shall be included in the formula contained in KRS 132.590(2) in determining the amount of county appropriation to the office of the property valuation administrator.

Section 17. KRS 132.230 is amended to read as follows:

(1) Every person listing his property with the property valuation administrator shall state:

(a) Each separate tract of land, *any interest in unmined minerals, oil, natural gas or natural gas liquids* with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located, giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination and fair cash value of all bonds subject to taxation owned by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

(2) An error or informality in the description or location of the property, or in the name of the owner or person assessed, shall not invalidate the assessment if the property can with reasonable certainty be located or identified from the description given, in which case the collector may receive the taxes and by his receipt correct the error or informality.

Section 18. KRS 132.330 is amended to read as follows:

The field agents, accountants and attorneys of the department of revenue shall cause to be listed for taxation all property omitted by the property valuation administrators, board of supervisors, department or any other assessing authority, for any year omitted. The agent, accountant or attorney proposing to have the property assessed shall file in the office of the county clerk of the county in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The county clerk shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney or person in possession of the property. If the property is real property, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the property; *in the case of unmined minerals, where the owner of the interest in the unmined minerals owns no interest in the surface, an action for assessment shall be instituted by filing a petition and procuring constructive service against the owner under the provisions of rule 4.05, 4.06, 4.07, and 4.08 of the Rules of Civil Procedure;* if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible and intangible personal property, where the owner and his place of residence are unknown and no one (1) has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07 and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of the property omitted from assessment may be procured from the district court against the owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the department of revenue making an affidavit that the property described in the petition is subject to state, county, school or other taxing district tax, and is unassessed for any taxable year.

SECTION 19. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Every corporation, company, association, partnership or person owning or engaged in the business of extracting metalliferous or non-metalliferous ore or owning or engaged in the production of unmined

minerals or engaged in the extraction or leasing for extraction of oil, natural gas, or natural gas liquids shall, as of January 1 each year, and by February 1, make and deliver a report to the property valuation administrator, verified by the person or officer required to file the same, on such form as the department of revenue may prescribe, showing the following facts:

(a) The name, description and location of the interest in unmined minerals, oil, natural gas, or natural gas liquids, and any mine, lease, well or preparation plant, including tipples, owned or operated by him during the preceding calendar year;

(b) The number of tons of ore, or hydrocarbon substance, the number of cubic feet of gas or the number of barrels of oil produced or extracted during the preceding calendar year;

(c) The type(s) or grade(s) of ore or other hydrocarbon substance held by the person, partnership, company or corporation and the extent of such holdings;

(d) Such other reasonable and necessary information as may be required by the department of revenue.

(2) The property valuation administrator shall, by February 15 each year, deliver to the department of revenue all such information as is supplied under subsection (1) of this section, and the department shall then annually determine the fair cash value of all unmined mineral properties required to be reported by subsection (1) of this section and in so doing shall utilize all public records and reports compiled by any state or federal agency or any private entity which contain any relevant information or reasonable estimates of the quantity and quality of the unmined minerals. Taxpayers' maps and records shall also be utilized by the department if available. Other factors which shall be considered by the department include, but are not limited to:

(a) Sales of other tracts of similar unmined minerals;

(b) The current market price for the mineral, if extracted;

(c) The availability of transportation and preparation facilities for the mineral, if extracted;

(d) BTU content, sulphur and ash content of tested sampled of the unmined minerals, if available;

(e) The degree to which the unmined minerals and adjacent mineral properties are under production, or can be put into immediate production;

(f) The existence of any lease for the unmined minerals, including any royalty provisions contained therein.

(3) When the valuation has been finally determined, the department shall certify the valuation to the property valuation administrator who shall place the valuation upon the county assessment rolls and give notice to the taxpayer as provided in KRS 132.450.

(4) The taxpayer shall have the right of appeal of any assessment made under this section in the manner provided in KRS 133.120.

(5) All tangible property, including tipples and preparation facilities, of any taxpayer assessed under this section shall be valued and assessed by the property valuation administrator of the county in which such property has a taxable situs.

SECTION 20. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any statutory provisions to the contrary, any fee simple interest in unmined minerals is presumed to be of no value for property tax assessment purposes if any of the following factors exist with relation to that interest:

(a) 1. The surface above the unmined minerals is owned in fee simple by the owner of the unmined minerals; and

2. The surface is being used for agricultural or horticultural purposes as defined by KRS 132.010, or for residential or commercial purposes, or for other uses inconsistent with the extraction of unmined minerals; and

3. The owner has not leased any portion of the unmined minerals for extraction within five (5) years of the date of assessment, and no portion is under lease on the date of assessment, the owner has not undertaken to extract any portion of the unmined minerals, and the owner is not in the business of extracting unmined minerals or leasing unmined minerals for extraction.

(b) The tract of unmined minerals has been depleted due to mining, drilling, construction or other activities.

(c) The tract of unmined minerals is not capable of extraction by any method in common usage in the industry due to geologic or economic reasons.

(d) The supposed tract of unmined minerals is actually barren.

(e) The extraction of unmined minerals from the tract is prohibited by law.

The burden shall be on the taxpayer to prove qualification of his interest in unmined minerals under this section by clear and convincing evidence.

(2) If the taxpayer offers the results of any core drilling as evidence to prove qualification under this section, such results must be verified by a geophysical gamma-ray density log test performed at the expense of the taxpayer by the department, or a qualified engineer appointed by the department, and such results, if so verified, will be used as evidence of value of the unmined minerals for the area bounded by a one-quarter (¼) mile radius of the core drilling.

(3) If any tract of unmined minerals which qualifies under this section, and is assessed at no value under this section, is leased for extraction or is prepared for extraction, or any well is drilled for the extraction of oil, natural gas or natural gas liquids, or the use of the surface changes from agricultural or horticultural or residential or commercial use, where the qualification was under subsection (1) of this section, then that tract of unmined minerals or oil, natural gas or natural gas liquids shall be subject to deferred taxes based on the current fair cash value of the tract for the current tax year and the immediately preceding two (2) tax years, but shall not be subject to any deferred tax for any year prior to the effective date of enactment of this subsection.

Section 21. KRS 133.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the county board of assessment appeals.

(2) "Department" means the department of revenue.

(3) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(4) "Real property" includes all lands, *unmined minerals as defined in KRS 132.010, oil, natural gas, and natural gas liquids* within this state and improvements thereon.

(5) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

SECTION 22. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Revenue produced pursuant to KRS 132.020(5) shall be distributed as follows:

(a) For the fiscal year beginning July 1, 1982, the lesser of the sum of five hundred thousand dollars ($500,000) or the total revenue produced pursuant to KRS 132.020(5) shall be transferred to the "restricted

fund group" established by KRS 45.322(1)(e) for use by the department of revenue for the purpose of assessing unmined minerals. Any revenue produced in excess of this amount shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

(b) For the fiscal year beginning July 1, 1983, the lesser of the sum of six hundred thousand dollars ($600,000) or the total revenue produced pursuant to KRS 132.020(5) shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for the purposes outlined in paragraph (a) of this subsection, and the balance, if any, shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

(2) In subsequent years, revenue produced pursuant to KRS 132.020(5) which is adequate to carry out the purposes outlined in paragraph (1)(a) of this section shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for use by the department of revenue, and the balance, if any, shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

SECTION 23. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 1983, and each January 1 thereafter, the county clerk shall provide a list of all transfers of unmined minerals for the prior year to the property valuation administrator for use in preparing assessments, and the property valuation administrator shall provide such list to the department of revenue by February 1 each year.

Section 24. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 25. Whereas it is imperative that all property be assessed as of January 1, 1982, an emergency is declared to exist and the provisions of this Act shall be effective on January 1, 1982.

Floor Amendment No. 1 to **HB 732,** by Representative Morris:

Amend printed copy of **HB 732,** page 1, line 21, by removing the bracket and strike through;

and on page 2, lines 1 through 9, by removing the strike throughs and end bracket;

and on page 2, line 14, by deleting the word "*maximum*";

and on page 3, line 2, by deleting the word "*maximum*".

Floor Amendment No. 2 to **HB 777,** by Representative Bruce:

Amend printed copy of **HB 777,** page 1, after line 18, by adding the following:

"Section 2. A new section of KRS Chapter 522 is created to read as follows:

(1) Official misconduct by a member of the Executive Branch is a Class D felony.

(2) A member of the Executive Branch is guilty of official misconduct when he knowingly:

(a) Attempts to influence an individual legislator; or

(b) Promises to support an individual piece of legislation; or

(c) Calls an individual legislator off the floor of the House of Representatives or Senate during a duly convened session; or

(d) Suggest that an individual legislator trust me; or

(e) Promises to expend public monies in a district; or

(f) Promises to withhold public monies from a district; or

(g) Promises not to make political promises."

Floor Amendment No. 7 to **HB 810**, by Representative Clarke:

Amend printed copy of **HB 810**, page 1, lines 1-26, by deleting lines 1-26 in their entirety;

pages 2-14, lines 1-26, by deleting lines 1-26 on pages 2-14 in their entirety, and inserting in lieu thereof the following:

Section 1. KRS 281.752 is amended to read as follows:

The bureau *shall* [~~may, by regulation,~~] prescribe and charge a fee, *of seven dollars ($7.00)* [~~not to exceed two dollars ($2.00)~~] in each instance, for the issuance of such identifying plates, decals, cards, signs or papers, for the identification of motor vehicles, which vehicles have been qualified for, and have been granted reciprocal privileges in Kentucky in regard to motor vehicle registration fees and highway use taxes. The commissioner may by reciprocal agreement with the proper officials of other jurisdictions waive such fees applicable to residents of such other jurisdictions which afford like privileges to residents of Kentucky.

Section 2. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the bureau may issue a trip permit for each motor vehicle for a fee of *twenty dollars ($20.00)* [~~ten dollars ($10.00)~~] for each permit.

(2) Application for a license or trip permit shall be made to the bureau and shall contain such information as the bureau deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the bureau a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the bureau shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the bureau, or if the bureau is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the bureau may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The bureau shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the bureau.

Section 3. KRS 189.270 is amended to read as follows:

(1) The bureau may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles and housetrailers whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects fail to comply with the requirements of this chapter. Permits may be issued by the bureau for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of

the highways as the bureau may, in its discretion, require. The bureau shall require, as a condition to the issuance of the permit, that the applicant pay a *fee of thirty dollars ($30.00) for each overweight or overdimension permit; a fee of twenty dollars ($20.00) for each single trip house trailer permit; a fee of eighty dollars ($80.00) for each annual house trailer permit;* [~~reasonable fee, to be fixed by it,~~] and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles and housetrailers in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the bureau may require, in his possession.

(2) No person shall operate any motor vehicle or housetrailer in violation of the terms of the permit.

Section 4. KRS 281.620 is amended to read as follows:

(1) Every applicant for a certificate or permit or for amendment or transfer or sale or change in route or abandonment of a certificate or permit shall apply for same to the bureau in such form and the application shall contain such matters as the bureau may prescribe.

(2) For the filing of such application the bureau shall receive a fee of *fifty dollars ($50.00)* [~~twenty-five dollars ($25.00)~~].

(3) Every applicant seeking to have a commodity removed from the exempt list shall do so by a petition to the bureau, setting out the item and the reasons for the removal of same, and said petition should be in such form as the regulations may prescribe.

(4) For the filing of such application as set out in subsection (3) above and the calling of the hearing as provided in KRS 281.625 the bureau shall receive a fee of twenty-five dollars ($25.00) and an additional amount equal to the postage expense to be incurred in mailing the required notices of such hearing.

Section 5. KRS 281.650 is amended to read as follows:

(1) Every certificate or permit shall be renewed before January 1 of each year. Application for renewal shall be in such form as the bureau may require.

(2) No motor vehicle shall be operated after January 1 of each year unless the requisite fee as hereinafter provided for is paid.

(3) A certificate or permit not renewed within one (1) calendar year after renewal date shall automatically become null and void and cannot be reinstated. Nothing herein contained shall prohibit the filing of a new application.

(4) The bureau shall not renew any certificate or permit if such certificate or permit has been revoked, or if suspended, during the period of suspension. A certificate or permit shall not be considered as revoked or suspended when an appeal is pending in the Franklin Circuit Court or in the Court of Appeals from an order of revocation or suspension until said appeal has been decided by the courts.

(5) For the renewal of any certificate or permit the bureau shall receive a fee of *fifty dollars ($50.00)* [~~twenty-five dollars ($25.00)~~].

Section 6. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be *fifteen dollars and seventy-five cents ($15.75)* [~~eleven dollars and fifty cents ($11.50)~~].

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$ *33.00*[~~24.00~~]
10,001-14,000	*41.00*[~~30.00~~]
14,001-18,000	*68.50*[~~50.00~~]
18,001-22,000	*181.50*[~~132.00~~]
22,001-26,000	*210.25*[~~160.00~~]
26,001-32,000	*296.00*[~~216.00~~]
32,001-38,000	*411.00*[~~300.00~~]
38,001-44,000	*649.25*[~~474.00~~]
44,001-55,000	*745.25*[~~544.00~~]
55,001-62,000	*805.50*[~~588.00~~]
62,001-73,280	*1027.50*[~~750.00~~]
73,281-82,000	*1150.00*[~~840.00~~]

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

[~~(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits~~

~~of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.~~

~~(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.~~]

(8)[~~(10)~~] Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(9)[~~(11)~~] Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(10)[~~(12)~~] The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(11)[~~(13)~~] The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(12)[~~(14)~~] (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS

186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

Section 7. KRS 138.565 is amended to read as follows:

(1) An excise tax at the rate *of twelve and one-half percent (12.5%)* [~~levied in KRS 138.220~~] and computed on the average wholesale price as defined in KRS 138.210(10) is hereby levied and shall be paid by the special fuels dealer to the department:

(a) For all special fuels delivered into any tank or other container equipped with a hose or other apparatus designed to dispense such fuels into the fuel supply tank of a motor vehicle except when such deliveries are made to another licensed special fuels dealer. The tax imposed by this section shall not apply to special fuels delivered into storage facilities of consumers or persons engaged in the business of selling special fuels for use in motor vehicles when such special fuels are to be sold or used for nonhighway purposes and provided that the storage facilities for such special fuels have been approved and identified as nontaxable storage pursuant to regulations of the department provided that the department may not refuse to approve such nontaxable storage except for adequate cause.

(b) For all special fuels withdrawn by any special fuels dealer and dispensed into the fuel supply tank of a motor vehicle. An allowance of one percent (1%) of the tax shall be made to the special fuels dealer to cover unaccountable losses, bad debts, and handling and reporting the tax. For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the special fuels dealer to collect the tax, it shall be presumed that all special fuels delivered by any special fuels dealer within this state are taxable unless the contrary is established by the special fuels dealer pursuant to regulations prescribed by the department.

(2) No other excise or license tax shall be levied or assessed on special fuels by any political subdivision of the state.

Section 8. KRS 138.225 is amended to read as follows:

(1) In order to prevent unjust enrichment resulting from the consumption or sale of gasoline or special fuels or liquefied petroleum gas motor fuels on or after the date on which any state gasoline, special motor fuels, or liquefied petroleum gas motor fuels taxes are increased, pursuant to KRS 138.220[~~(2)~~], 138.565[~~(3)~~], 138.660[~~(2)~~] or 234.320[~~(2)~~], upon which a tax of only nine *percent (9%) and computed on the average wholesale price as defined in KRS 138.210(10),* [~~cents per gallon~~] has been paid into the state treasury, it is hereby declared to be the intent of the general assembly that all gasoline, special fuels, or liquefied petroleum gas motor fuels subject to tax under the provisions of KRS Chapters 138 and 234 which are stored, consumed, or sold on and after the effective date of such state tax increases shall be subject to such additional tax in accordance with such an increase, the total amount of such tax to be determined by the department of revenue. The additional tax which may be levied under the provisions of this section shall be implemented and collected as follows:

(a) All licensed gasoline, special fuels, and liquefied petroleum gas motor fuels dealers subject to such a tax increase shall report, in a manner and form to be prescribed by the department of revenue, the amount of such fuels on hand at the close of business on the day first preceding the effective date of such tax increases upon which a tax of nine *percent (9%), and computed on the average wholesale price as defined in KRS 138.210(10),* [~~cents per gallon~~] has been paid or accrued and shall remit to the department of revenue such additional tax on each such gallon of gasoline, special fuels, or liquefied petroleum gas motor fuels as required to meet the total increased tax as determined by that department. Such report and tax shall be due and payable on the date prescribed by the department of revenue.

(b) All other persons having gasoline, special fuels, or liquefied petroleum gas motor fuels subject to such a tax increase on hand at the close of business on the day first preceding the effective date of such tax increases which has been subjected to a tax of only nine *percent (9%), and computed on the average wholesale price as defined in KRS 138.210(10),* [~~cents per gallon~~] shall remit to the department of revenue such additional tax on each such gallon of gasoline, special fuels, or liquefied petroleum gas motor fuels as required to meet the total increased tax as determined by that department. Such additional tax shall be due and payable on the date prescribed by the department, and such persons shall file such reports and keep such records in respect thereof as may be prescribed by the department.

(2) Notwithstanding the provisions of subsection (1) of this section, the additional tax which may be levied by this section shall not be applicable to gasoline, special fuels, or liquefied petroleum gas motor fuels which is in the fuel supply tank of any internal combustion engine.

Section 9. KRS 138.660 is amended to read as follows:

(1) Every motor carrier shall pay a tax at the rate levied in KRS 138.220, *138.565, or 234.320, whichever is applicable, and computed on the average wholesale price as defined in KRS 138.210(10), on the amount of gasoline, special fuels, or liquified petroleum gas motor fuel used in operations on the public highways of this state* [~~and computed on the average wholesale price as defined in KRS 138.210(10) on the amount of gasoline and at the same rate on the amount of special fuels used in operations on the public highways of this state.~~

~~(2) In addition to the tax imposed in subsection (1) of this section, if the motor carrier is a heavy equipment motor carrier as defined in KRS 138.655, he shall pay a surtax at the rate of two percent (2%) of the average wholesale price as provided in subsection (1), on the amount of gasoline and special fuels used in operations on public highways of this state~~].

(2)[~~(3)~~] The tax levied under subsections (1) and (2) of this section shall be computed and paid as provided in KRS 138.690.

Section 10. KRS 138.690 is amended to read as follows:

The tax imposed by subsection[~~s~~] (1) [~~and (2)~~] of KRS 138.660 shall be determined as follows: The total number of gallons of gasoline, [~~and~~] special fuels, *and liquified petroleum gas motor fuel* used during the taxable period in the licensee's operations on the public highways in Kentucky shall be multiplied by the tax rate.

Section 11. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsection[~~s~~] (1) [~~and (2)~~] of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220, *138.565, or 234.320, whichever is applicable,* and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline, [~~and~~] special fuels, *and liquified petroleum gas motor fuel* purchased by such licensee during such period for use in its operations, provided such gasoline, [~~and~~] special fuels, *and liquified petroleum gas motor fuel* were purchased in Kentucky during the same period *or* [~~and~~] the tax imposed by KRS 138.220, [~~and~~] KRS 138.565, *and 234.320* has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the bureau shall be furnished by each such licensee claiming the credit herein allowed.

(2) The bureau shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the bureau during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee,

provided application therefor and all necessary information shall be filed with the bureau within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the bureau, the cost to the bureau of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the bureau shall prescribe what records must be kept by the licensee or any other person and the bureau shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 12. KRS 234.320 is amended to read as follows:

(1) An excise tax at the rate *of twelve and one-half percent (12.5%)* [~~levied in KRS 138.220~~] and computed on the average wholesale price as defined in KRS 138.210(10) is hereby levied and shall be paid by the liquefied petroleum gas motor fuel dealer to the department on all taxable liquefied petroleum gas motor fuel delivered to the licensed liquefied petroleum gas motor fuel user-seller or withdrawn by the liquefied petroleum gas motor fuel dealer to propel motor vehicles on the public highways, either within or without this state. An allowance of one percent (1%) of the tax shall be made to the liquefied petroleum gas motor fuel dealer to cover unaccountable losses, bad debts, and handling and reporting the tax.

(2) No other excise or license tax shall be levied or assessed on liquefied petroleum gas motor fuel by any political subdivision of the state, except the licenses under KRS 234.120.

[~~(3) No provision of KRS 234.310 to 234.440 shall in any way affect the surtax imposed on heavy equipment motor carriers under KRS 138.660.~~]

Section 13. KRS 234.380 is amended to read as follows:

Liquefied petroleum gas motor fuel dealers using, selling, and/or delivering liquefied petroleum gas to motor vehicles, or into storage for use in motor vehicles, shall report and pay the state tax at the rate *of twelve and one-half percent (12.5%)* [~~levied in KRS 138.220~~] and computed on the average wholesale price as defined in KRS 138.210(10) on all such fuel to the department of revenue. The dealer shall issue an invoice to the customer whenever the sale or delivery is consummated giving the invoice date, name and address of the customer, and number of taxable gallons sold or delivered. The number of taxable gallons to be invoiced shall be determined in the following manner by the dealer:

(1) The metered gallons, if placed into a fuel tank of a motor vehicle;

(2) The metered gallons, if placed into storage, all of which is to be used or sold for use in motor vehicles;

(3) The number of gallons to be used in motor vehicles, if the storage is for multiple uses. The number of taxable gallons to be determined by the user and the dealer based on the best estimate possible from mileage and efficiency records available;

(4) If the motor vehicle carburetor is connected to a fuel line leading from a fuel tank where another, or other motors are supplied with fuel also, then the number of gallons to be invoiced as taxable motor fuel shall be determined from mileage and fuel efficiency records.

Section 14. KRS 47.020 is amended to read as follows:

(1) Thirty per cent (30%) of all revenue raised by the tax imposed by subsections (3) through (14) of KRS 186.050 shall be evenly distributed among all the counties for the county road funds.

(2) The total amount of revenue distributed according to the provisions of subsection (1) of this section shall not exceed that amount of revenue distributed for fiscal year 1981-82.

Floor Amendment No. 1 to **SB 38,** by Representative White:

Amend printed copy of **SB 38,** page 12, after line 17, by adding the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9, IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company."

Floor Amendment No. 1 to **SB 74,** by Representative White:

Amend printed copy of **SB 74,** page 3, after line 16, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9, IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company."

Floor Amendment No. 1 to **SB 252,** by Representative White:

Amend printed copy of **SB 252,** page 11, after line 18, by adding the following:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 304, SUBTITLE 9, IS CREATED TO READ AS FOLLOWS:

Any insurance company shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurance company."

Floor Amendment No. 1 to the Committee Substitute to **SB 277,** by Representative Hines:

Amend printed copy of Committee Substitute to **SB 277,** page 1, line 20, by deleting line 20 on page 1 and lines 1 through 10 on page 2 and substituting in lieu thereof the following:

"*(1) All transactions between a public university or college and a private foundation shall be made in accordance with state purchasing procedures provided in KRS 45.360 and KRS Chapter 45A, and other applicable law governing state purchasing procedures, and:*

(a) Made pursuant to a written contract approved by the secretary of the department of finance; or

(b) Made pursuant to a delegation of authority for a group or class of similar transactions, given in advance by the secretary of the department of finance to the president of a public university or college."

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

Representative Yates requested that his name be added as a co-sponsor of **HB 204.**

The following members filed requests to have their names withdrawn as co-sponsor of Bills and Resolutions:

Representative Lundergan, **HB 816;** Representative Mann, **HB 816.**

Representative LeMaster moved that **HB 810** be taken from the Clerk's desk and placed in Orders of the Day. Agreed.

Representative Blandford moved that the vote by which **HB 704** was defeated be reconsidered and that it be placed in Orders of the Day. Agreed.

Representative Moberly moved that he be recorded as voting "yea" on **HB 746.** Agreed.

Representative Mann moved that **SB 2** be taken from the Clerk's desk and placed in Orders of the Day for March 23, 1982. Agreed.

Representative B. Smith moved the adoption of the following Legislative Citations No. 62 and 63. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Warren East High School "Lady Raiders" Basketball Team of Bowling Green, Kentucky, and your fine coach, Mr. Fred Carter, for winning the Girls' Fourth Region Basketball Tournament in the victory over Allen County 67-60. Your excellent record of 29-4 reflects hard work, school loyalty and a competitive spirit. You have bestowed honor on your school, community and the Commonwealth of Kentucky. This body salutes you and we commend you on your eligibility to participate in the Girls' "Sweet 16" State Tournament at Eastern State University Coliseum, Richmond, Kentucky, March 17-20, 1982. (Sponsored by Representative B. Smith)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Warren Central High School "Dragons" Boyds' Basketball Team, of Bowling Green, Kentucky, and your excellent coach Curtis Turley, assistant coaches Jeff Edwards and Al Gordon for winning the Fourteenth District and the Fourth Region Tournaments. Achieving District and Regional championships for the first time is noteworthy and reflects your hard work, school loyalty and competitive spirit. We commend you for your fine record of 22-9 and extend best wishes and success in the Boys' "Sweet Sixteen" State Tournament at Rupp Arena, Lexington, Kentucky, March 24-27, 1982. (Sponsored by Representative B. Smith)

Representative O'Brien moved that **SB 329** be reassigned to Banking and Insurance. Agreed.

Representative Brown moved that he be recorded as voting "yea" on **HB 440.** Agreed.

Representative Brown moved that he be recorded as voting "nay" on **SB 293.** Agreed.

The following meetings were announced.

Committee on Rules: On adjournment, Room 316.

Counties and Special Districts: Tuesday, 9:00 a.m.

State Government: Special meeting, Tuesday, 12 noon.

Representative Schmidt moved that **HR 75** be made the first order of business for March 23, 1982.

Adjournment

Representative Mann moved that the House adjourn until 2:00 p.m., Tuesday, March 23, 1982.

On the roll call the vote was yeas 49-Arnold, Barrows, Bendl, Bennett, Boswell, Brown, Burch, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Gray, Head, Hines, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Seum, B. Smith, Stone, Thomason, Tobin, Van Horn, Williams. Nays 36-Allen, Blevins, Bruce, Burnette, Caldwell, Clarke, Dawahare, Endicott, Ford, Freibert, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Holbrook, Holloway, Layman, Lefevers, Lile, Long, McNutt, Morris, Noland, O'Brien, Patrick, Rattliff, Riner, Robinson, Schmidt, F. Smith, Todd, Turner, White, Worthington.

The motion to adjourn was adopted.

TUESDAY, MARCH 23, 1982

FIFTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Father Linus Giesler, Nazareth Motherhouse, Nazareth, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 22, 1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

HB 87, HB 97, HB 247, HB 314, HB 363, HB 469, HB 498, HB 559, HB 598, HB 658, HB 683, and **HCR 49** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Introduction of Resolutions

HR 99, by Representative Thomas: A RESOLUTION honoring the Marion County High School Girls' Basketball Team and Coach Beverly Roby.

HR 100, by Representative LeMaster: A RESOLUTION commending the staff of the Legislative Research Commission.

HR 101, by Representative O'Brien: A RESOLUTION honoring the Jeffersontown High School basketball team.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HR 97.**

Banking and Insurance: **SB 231.**

Business Organizations and Professions: **HR 98.**

Health and Welfare: **SB 7, SB 356.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **SB 287, SB 404.**

Banking and Insurance: **SB 223, SB 394, SB 127.**

Judiciary-Criminal: **SB 345, SB 282.**

Education: **HR 76.**

Report of Committees

The Committee on Rules reported **HB 814, HB 369, HB 617, HB 428, HB 464, HB 637, HB 757, SB 96, SB 269, SB 17, SB 107, SB 131, SB 150, SB 277, SB 291, SB 247, SB 315, SB 386, SB 393, SB 394,** and **SJR 41** has been posted for passage in Orders of the Day, March 24, 1982.

The Committee on Rules reported the following Bills have been recommitted:

Appropriations and Revenue: **HB 816, HB 610.**

State Government: **HB 605.**

Cities: **HB 620.**

Counties and Special Districts: **HB 272.**

Posting of Bills and Resolutions for Consideration (continued)

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Judiciary-Civil: **SB 149, SB 383.**

Appropriations and Revenue: **SB 216.**

Transportation: **SB 140.**

Business Organizations and Professions: **SB 146.**

Natural Resources and Environment: **SB 218.**

Banking and Insurance: **SB 329.**

Transportation: **SB 342.**

Agriculture and Small Business: **SB 402.**

Report of Committees (continued)

The Committee on Appropriations and Revenue reported **HB 295**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Substitute to **HB 295** is as follows:

HB 295, AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1982, and, including any unappropriated surplus to the General Fund as of June 30, 1982, for the fiscal year beginning July 1, 1982, and ending June 30, 1983, and, including any unappropriated surplus to the General Fund as of June

30, 1983, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the following sums, or so much thereof as maybe necessary, for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 21, 42, and 45 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I listed as follows:

A. GOVERNMENT OPERATIONS

1. GOVERNOR

1982-83	$ 1,855,800
1983-84	$ 1,993,800

Included in the above appropriation in each year of the biennium is $18,000 for the Governor's contingent expense fund to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710. Also included in the above appropriation is $216,750 in fiscal year 1982-83 and $234,500 in fiscal year 1983-84 for travel expenses incurred by officers and personnel of the Office of the Governor, and no other funds of the Commonwealth shall be used for such expenses.

2. LIEUTENANT GOVERNOR

1982-83	$ 409,200
1983-84	$ 440,000

Included in the above appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's contingent expense fund to meet additional expenses associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710. Also included in the above appropriation is $8,800 in fiscal year 1982-83 and $10,300 in fiscal year 1983-84 for travel expenses incurred by officers and personnel of the Office of the Lieutenant Governor, and no other funds of the Commonwealth shall be used for such expenses.

3. SECRETARY OF STATE

a. General Operations

1982-83	$ 801,600
1983-84	$ 860,700

b. Restoration of Land Grant Books

1982-83	$ 40,000
1983-84	$ 44,000

TOTAL - SECRETARY OF STATE

1982-83	$ 841,600
1983-84	$ 904,700

4. BOARD OF ELECTIONS

1982-83	$ 1,107,600
1983-84	$ 1,190,700

Included in the above appropriation is $745,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.105). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any expenses in excess of the above amounts shall be deemed a necessary governmental expense.

5. TREASURY

1982-83	$ 1,107,400
1983-84	$ 1,190,400

6. DEPARTMENT OF LAW

1982-83	$ 4,068,500
1983-84	$ 4,399,600

7. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 2,086,800
1983-84	$ 2,241,200

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty

(30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

Any expenses incurred in the auditing of federal disaster relief funds shall be deemed a necessary governmental expense.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Effective July 1, 1983, any expense incurred by the Auditor of Public Accounts for auditing state agencies as defined by KRS 43.010 and KRS 43.050, shall be charged to the audited agency. The Auditor of Public Accounts is hereby authorized to receive and deposit these funds in a separate Agency Funds account, to be established for this purpose. The Secretary of Finance and Administration shall transfer, based upon a statement submitted by the Auditor in consultation with the audited agency head, the direct costs associated with such audits from funds appropriated and allotted to the audited agency. Such funds shall be credited to the Auditor of Public Accounts to the Agency Fund account, and a corresponding amount from the General Fund appropriation to the Auditor of Public Accounts shall be lapsed to the extent of such credit. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

8. CAPITAL PLAZA

1982-83	$ 1,345,400
1983-84	$ 1,371,500

The above appropriation shall be used for debt service for the Capital Plaza.

9. COUNTY COSTS	1982-83	1983-84
a. Jailers' Fees	$11,000,000	$11,000,000
b. Base Court Revenue	5,437,600	5,437,600
c. Sheriffs' Fees	1,650,000	1,700,000
d. Jury Fund	3,400,000	3,500,000
e. Witnesses	65,000	65,000
f. Special Bailiffs	20,000	20,000
g. Board of Assessment Appeals	50,000	50,000
h. Fugitives from Justice	300,000	300,000
i. Sheriffs' Expense Allowance	432,000	432,000
j. Premium on Sheriffs' Bonds	175,000	175,000
k. County Clerks - Making Tax Bills	400,000	400,000

All county costs funded by the General Fund are deemed to be necessary governmental expenses and additional funds may be allotted from the General Fund surplus by the Secretary of the Finance and Administration Cabinet.

In the event enabling legislation for the implementation of the jails omnibus revision legislation embodied in House Bill 440 or other Act, is not enacted by the 1982 General Assembly $1,500,000 in fiscal year 1982-83 and $1,000,000 in fiscal year 1983-84 appropriated above for Jailers' Fees shall remain unallotted and shall lapse to the credit of the General Fund. In the event that the jails omnibus revision legislation is enacted by the 1982 General Assembly, the preceding stated amounts shall not be in addition to any other special appropriation which may be authorized for this purpose.

TOTAL - COUNTY COSTS

1982-83	$ 22,929,600
1983-84	$ 23,079,600

10. FINANCE AND ADMINISTRATION CABINET

a. Office of the Secretary

1982-83	$ 1,904,300
1983-84	$ 2,297,200

Included in the above appropriation is $150,000 each fiscal year for payment to the city of Frankfort for the provision of fire and police protection and other services for state owned property in accordance with KRS 45.155. Also included in the above appropriation for fiscal year 1983-84 is $250,000 to provide for gubernatorial transition in accordance with the provisions of KRS 11.260

b. Office for Policy and Management

1982-83	$ 5,611,400

1983-84 .... $ 5,581,500

Included in the above appropriation is $190,300 in fiscal year 1982-83 and $203,900 in fiscal year 1983-84 for the Office of Investment and Debt Management. In the event of passage of enabling legislation by the 1982 General Assembly transferring this program to the State Treasurer, these funds shall be transferred to the Treasury Department. In the event such enabling legislation is not enacted by the 1982 General Assembly, the above funds shall remain in the Office for Policy and Management for the operation of the Office of Investment and Debt Management.

c. Department of Administration
1982-83 .... $ 3,482,200
1983-84 .... $ 3,743,600

d. Department of Facilities Management
1982-83 .... $ 5,909,500
1983-84 .... $ 6,352,600

e. Department of Personnel
1982-83 .... $ 3,013,800
1983-84 .... $ 3,239,800

Notwithstanding the provisions of KRS 18.330, a portion of the above appropriation may be used for the pro-rata cost of administering a merit system of personnel administration for the civil service of the Commonwealth for all departments, commissions, boards, or other agencies which receive support from the General Fund or Revolving Trust and Agency Funds. Said appropriations may also be used for special training programs for state employees approved by the Secretary of the Finance and Administration Cabinet.

Relative to merit hearings before the Personnel Board, the particular agency of which the complainant is or was an employee shall bear all of the administrative costs thereof whenever the Personnel Board rules in favor of the complainant, such as for example, but not limited to, the fees of court reporters, the printing or other reproduction expenses related to hearing transcripts, and other related matters. Relative to all appeals resulting from merit hearings of the Personnel Board, including appeals to the Circuit Court, Court of Appeals, or the Supreme Court, the particular agency of which the complainant in said hearing is or was an employee shall bear all of the costs thereof whenever the courts rule in favor of the complainant, chargeable to the Personnel Board, such as for example, but not limited to, legal fees and court costs and fees.

Included in the above appropriation is an amount not to exceed $25,000 in fiscal year 1982-83 for the payment of cash merit awards earned by state employees in accordance with the guidelines promulgated by the Department of Personnel for the Employee Suggestion System.

Included in the above appropriation is $100,000 in each fiscal year for an Automobile Liability Reimbursement program.

Included in the above appropriation is, at least, $230,000 in fiscal year 1982-83 and $247,000 in fiscal year 1983-84 for the operation of the Personnel Board. Any unexpended balance at the close of the 1982-83 fiscal year shall not lapse, but shall continue into the 1983-84 fiscal year. In the event of passage of enabling legislation providing for a separate appropriation to the board, these funds shall be transferred to the Personnel Board.

f. Office for Program Administration
1982-83 .... $ 295,000
1983-84 .... $ 317,100

g. Local Government Economic Assistance Fund
1982-83 .... $ 49,250,000
1983-84 .... $ 71,600,000

The above appropriations are based on the official estimate of the Commissioner of Revenue of severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

h. Competitive Pay Structure Fund
1982-83 .... $ 7,000,000
1983-84 .... $ 23,000,000

Any portion of the above appropriation may be transferred to any major program area or agency of state government for the purpose of rewarding those state employes who are rated according to their employe performance evaluation review. The Office for Policy and Management, at the recommendation of the Department of Personnel, shall distribute the Competitive Pay Structure Fund to all qualifying state employes.

No funds shall be used for non-merit director/commissioner positions and above. Notice of the transfers of these funds shall be reported quarterly during each fiscal year to the Legislative Research Commission.

i. Area Development Fund

1982-83	$ 3,000,000
1983-84	$ 3,000,000

Notwithstanding the provisions of KRS 45.045(2), funds expended for the Area Development Fund shall be limited to these amounts.

Any unexpended balance at the close of fiscal year 1982-83 and fiscal year 1983-84 shall not lapse but shall carry forward to the next fiscal year.

j. State Planning Fund

1982-83	$ 2,000,000
1983-84	$ 2,000,000

Any portion of the above appropriation for the State Planning Fund may be transferred to other major program areas or agencies of state government for the purpose of funding planning activities approved by the State Planning Committee. Any unexpended balance remaining at the close of the 1982-83 fiscal year shall lapse to the credit of the General Fund.

There is transferred from the General Fund appropriation for the State Planning Fund of the Finance and Administration Cabinet to the Department of Insurance $25,000 for fiscal year 1982-83 and $25,000 for the fiscal year 1983-84 for the purpose of **HB 269** as enacted by the 1982 General Assembly.

Included in the above appropriation is $130,600 each fiscal year for the Office of Equal Opportunity Contract Compliance which shall be under the jurisdiction of the Office of the Secretary of the Finance and Administration Cabinet.

k. Kentucky Center for the Arts - Debt Service

1983-84	$ 2,935,000

TOTAL - FINANCE AND ADMINISTRATION CABINET

1982-83	$ 81,466,200
1983-84	$124,066,800

11. GENERAL OBLIGATION BONDS

a. Park Bonds

1982-83	$ 558,500
1983-84	$ 553,000

b. Veterans Bonus Bonds

1982-83	$ 7,843,000
1983-84	$ 7,847,000

c. 1965 General Purpose Bonds

1982-83	$ 2,047,000
1983-84	$ 2,053,000

TOTAL - GENERAL OBLIGATION BONDS

1982-83	$ 10,448,500
1983-84	$ 10,453,000

12. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

1982-83	$ 4,046,700
1983-84	$ 4,384,100

Included in the above appropriation is $152,000 in fiscal year 1982-83 and $152,000 in fiscal year 1983-84 for the Kentucky Early Warning System (KEWS) operation.

Also included in the above appropriation is $324,800 in fiscal year 1982-83 and $336,000 in fiscal year 1983-84 for the operations of the Kentucky Center for Veterans Affairs. Included in the above appropriation is $42,000 in fiscal year 1982-83 and $44,500 in fiscal year 1983-84 for the Kentucky Military Academy.

b. Disaster and Emergency Services

1982-83	$ 1,842,200
1983-84	$ 1,973,400

Also, included in the above appropriation is $150,000 in fiscal year 1982-83 and $161,200 in fiscal year 1983-84 for emergency expenses incurred by the Division of Disaster and Emergency Services for disasters and emergencies. These funds may only be expended at the recommendation of the Adjutant General to the Governor.

Included in the above appropriation is $204,700 in fiscal year 1982-83 and $230,700 in fiscal year 1983-84 for the KEWS operations. Included in the above appropriation is $200,000 each fiscal year for the Local Rescue Aid program. Also included in the above appropriation is $39,900 in fiscal year 1982-83 and $53,800 in fiscal year 1983-84 for the Flash Flood Watch program.

Any expenditures of funds as a result of the governor's call of the Kentucky National Guard to active duty is hereby declared to be a necessary governmental expense provided, however, that an emergency situation shall have been directed to exist by the Governor.

TOTAL - DEPARTMENT OF MILITARY AFFAIRS

1982-83	$ 5,888,900
1983-84	$ 6,357,500

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13. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Kentucky Athletic Commission

1982-83	$ 59,000
1983-84	$ 64,200

b. Board of Proprietary Education

1982-83	$ 9,400
1983-84	$ 10,100

The functions and appropriations of the agency are transferred within the Finance and Administration Cabinet under the Division of Occupations and Professions.

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

1982-83	$ 68,400
1983-84	$ 74,300

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14. DEPARTMENT OF REVENUE

1982-83	$ 33,393,100
1983-84	$ 35,445,100

Included in the above appropriation is $9,565,900 in fiscal year 1982-83 and $10,283,200 in fiscal year 1983-84 for property valuation administrators; any expenses in excess of these amounts for property valuation administrators shall be deemed necessary governmental expenses. Notwithstanding other statutes to the contrary, property valuation administrators shall receive a maximum five percent (5%) salary increase each fiscal year.

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15. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83	$ 42,600
1983-84	$ 58,400

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16. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth Attorneys

1982-83	$ 6,691,200
1983-84	$ 7,140,600

b. County Attorneys

1982-83	$ 7,074,100
1983-84	$ 7,596,100

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

1982-83	$ 13,765,300
1983-84	$ 14,736,700

Notwithstanding other statutory provisions to the contrary, the above appropriation includes a maximum five percent (5%) salary increase for elected officials and staff persons each fiscal year.

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17. KENTUCKY HORSE COUNCIL

1982-83	$ 21,800
1983-84	$ 23,400

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18. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

a. Board of Claims Awards

1982-83	$ 100,000
1983-84	$ 100,000

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

1982-83 ... $ 200,000

1983-84 ... $ 200,000

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of $5,500,000 in any fiscal year.

c. Prior Year Claims

1982-83 ... $ 500,000

1983-84 ... $ 500,000

d. Unredeemed Checks Refunded

1982-83 ... $ 33,000

1983-84 ... $ 33,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

e. Blanket Employees Bonds

1982-83 ... $ 49,000

1983-84 ... $ 49,000

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

f. Frankfort Planning Commission

1982-83 ... $ 1,000

1983-84 ... $ 1,000

g. Frankfort Cemetery

1982-83 ... $ 2,500

1983-84 ... $ 2,500

h. Public Improvements

1982-83 ... $ 5,000

1983-84 ... $ 5,000

Funds are appropriated for paying assessments for public improvements against property owned by the State, and for which said assessments the State is deemed to be liable.

i. Police and Firemen - Life Insurance

1982-83 ... $ 50,000

1983-84 ... $ 50,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

j. Workers' Compensation

1982-83 ... $ 120,000

1983-84 ... $ 120,000

Fee officers in counties over 75,000 in population.

k. Master Commissioners - Employers Retirement

1982-83 ... $ 63,000

1983-84 ... $ 63,000

l. Master Commissioners - Social Security

1982-83 ... $ 58,000

1983-84 ... $ 58,000

m. Money Refunded

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General.

TOTAL - APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1982-83 ... $ 1,181,500

1983-84 ... $ 1,181,500

All items included within the Appropriations Not Otherwise Classified category shall be deemed necessary governmental expenses, and any expenditure over the above amounts is to be paid from the General Fund Surplus.

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19. SECRETARY OF THE CABINET

1982-83 ... $ 238,000

1983-84..........$ 255,600

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20. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83..........$ 3,001,700
1983-84..........$ 3,190,200

Included in the above appropriation is $1,500,000 in fiscal year 1982-83 and $1,612,500 in fiscal year 1983-84 for the Joint Funding Administration.

TOTAL - GOVERNMENT OPERATIONS

1982-83..........$185,267,900
1983-84..........$232,654,000

B. COMMERCE

21. DEPARTMENT OF PARKS

1982-83..........$ 12,956,200
1983-84..........$ 14,497,900

Included in the above appropriation is $460,000 in fiscal year 1983-84 for debt service payments. In addition to these amounts, debt service payments of $1,456,000 in fiscal year 1982-83 and $996,000 in fiscal year 1983-84 shall be made from excess funds in debt service reserve accounts for Projects 10, 14 and 16.

Also included in the above appropriation is funding to restore the Recreation Parks and Shrines to the operating schedule which was in place for calendar year 1980. Should reductions in funding become necessary due to revenue shortfall, the Recreation Parks and Shrines Program shall be reduced only proportionately equal to other Department of Parks programs.

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22. OFFICE OF THE SECRETARY

1982-83..........$ 4,582,200
1983-84..........$ 7,698,900

Included in the above appropriation is $3,000,000 in fiscal year 1982-83 and $6,000,000 in fiscal year 1983-84 for debt service payments on the Economic Development Bond projects.

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23. BREAKS INTERSTATE PARK COMMISSION

1982-83..........$ 164,700
1983-84..........$ 164,800

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

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24. DEPARTMENT OF THE ARTS

a. General Operations

1982-83..........$ 1,787,000
1983-84..........$ 1,787,800

Included in the above appropriation is $70,000 for fiscal year 1982-83 and $70,000 for fiscal year 1983-84 for grants to Outdoor Dramas in the Commonwealth.

Included in the above appropriation is $75,000 for fiscal year 1982-83 and $75,000 for fiscal year 1983-84 for grants for historic preservation to be administered by the Heritage Division.

b. Challenge Grants

1982-83..........$ 1,100,000
1983-84..........$ 1,300,000

Challenge grants shall be distributed to local arts fund raising organizations in accordance with regulations promulgated by the Kentucky Arts Council up to a matching incentive of 28 percent of their total contributed income in fiscal year 1982-83 and 33 ⅓ percent in fiscal year 1983-84. Such regulations shall provide for grant funds to small as well as large communities. The Kentucky Arts Council shall develop a policy which will insure that small communities which have not heretofore participated in the program are eligible to participate and are encouraged to so participate.

TOTAL - DEPARTMENT OF THE ARTS

1982-83..........$ 2,887,000
1983-84..........$ 3,087,800

25. KENTUCKY HORSE PARK

1982-83	$ 1,479,000
1983-84	$ 1,773,100

Included in the above appropriation is $1,113,300 in fiscal year 1982-83 and $1,312,500 in fiscal year 1983-84 for debt service payments.

26. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83	$ 8,223,300
1983-84	$ 8,462,300

Included in the above appropriation is $1,000,000 for fiscal year 1982-83 and $1,000,000 for fiscal year 1983-84 for expansion of the industrial and economic development program. These funds shall be utilized, in part, to implement a regional concept for industrial agents employed by the Department in its headquarters.

27. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1982-83	$ 1,000,000
1983-84	$ 6,000,000

In fiscal year 1982-83, it is the intent of the General Assembly that the above one million dollars ($1,000,000) appropriation shall serve as an advance to the Kentucky Development Finance Authority Loan Program. The stated one million dollars ($1,000,000) shall be reimbursed to the General Fund of the Commonwealth through proceeds received from repayments of loans by the close of fiscal year 1982-83. Included in the above appropriation is $6,000,000 for fiscal year 1983-84 for debt service payments for Economic Development Bonds for the Kentucky Development Finance Authority Loan Program. The program authorized for this bond issue is consistent with the definition of "Building Project" in KRS 56.440 Section 1(4). The Kentucky Development Finance Authority shall make a concerted effort to assure that loans are disbursed to small businesses as well as large industry in small and large communities as equitably as is feasible.

TOTAL - COMMERCE

1982-83	$ 31,292,400
1983-84	$ 41,684,800

C. CORRECTIONS

28. CORRECTIONS

a. Correction's Management

1982-83	$ 3,150,900
1983-84	$ 3,188,200

The above appropriation reflects the intention of the General Assembly to reduce administrative personnel costs by at least $276,000 annually.

b. Adult Institutions

1982-83	$ 38,332,500
1983-84	$ 41,530,400

c. Community Services

1982-83	$ 7,522,900
1983-84	$ 8,490,300

Included in the above appropriation is $750,000 in fiscal year 1982-83 and $787,500 in fiscal year 1983-84 which shall be used to fund a 20% salary upgrade, based on the January 1, 1982, salary schedule, for Probation and Parole Officers. Also included is $446,500 in fiscal year 1983-84 for hazardous duty retirement pay for Probation and Parole Officers pursuant to proposed enactment of legislation by the 1982 General Assembly. If such enabling legislation should fail to pass, this sum shall lapse to the General Fund.

d. Debt Service

1982-83	$ 3,100,000
1983-84	$ 3,100,000

TOTAL - CORRECTIONS

1982-83	$ 52,106,300
1983-84	$ 56,308,900

D. EDUCATION AND HUMANITIES

29. DEPARTMENT OF EDUCATION

a. General Administration

1982-83	$ 9,608,800

1983-84	$ 10,267,500

Included in the above appropriation is $131,700 in fiscal year 1982-83 and $133,300 in fiscal year 1983-84 for debt service.

b. Local District Health and Life Insurance

1982-83	$ 30,159,700
1983-84	$ 39,706,500

Included in the above appropriation is $481,700 in fiscal year 1982-83 and $487,500 in fiscal year 1983-84 to provide life insurance to each full-time certified and non-certified employe of local boards of education. Also included in the above appropriation is $29,552,300 in fiscal year 1982-83 and $39,088,900 in fiscal year 1983-84 to purchase medical insurance for certified and noncertified full-time employes of local boards of education pursuant to applicable statutes and regulations. If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Finance and Administration Cabinet.

c. Education for Exceptional Children

1982-83	$ 7,710,600
1983-84	$ 8,636,000

Of the above appropriation, at least $6,294,000 in fiscal year 1982-83 and $7,113,200 in fiscal year 1983-84 is included for the Kentucky School for the Blind and the Kentucky School for the Deaf.

Also included in this appropriation is $320,000 in fiscal year 1983-84 for debt service for the addition to the classroom building at the Kentucky School for the Blind.

d. School Foundation Program

1982-83	$817,287,000
1983-84	$864,779,000

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

Funds appropriated to the School Foundation Program shall be allotted to school districts in accordance with KRS 157.310 through 157.430 and 157A.090, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. If funds appropriated to the School Foundation Program are insufficient to provide the amount of money required under KRS 157.390(6), allotments to local school districts shall be reduced in accordance with KRS 157.430.

The amount to be included for the 1982-83 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$16,450	$14,600	$12,750	$10,820	$9,890
4-9 years	18,290	16,450	14,600	10,820	9,890
10 years & over	19,960	18,110	16,260	10,820	9,890

Beginning with the school year 1983-84, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$17,590	$15,740	$13,890	$11,960	$11,030
4-9 years	19,430	17,590	15,740	11,960	11,030
10 years & over	21,100	19,250	17,400	11,960	11,030

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank for full time service during the regular school year or the allotment under KRS 157.390(2) shall be reduced by an amount equal to the amount by which the district failed to meet salary requirements, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board of Education shall certify such contention to the Department of Revenue. Said department shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Department of Revenue shall then certify its determination to the State Board of Education, and said Board shall accept such certified determination as final.

The State Board of Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1982-83 and 1983-84 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185 day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

The General Assembly acknowledges that included in the Finance Secretary's Order 82-96 is decreased funding for the School Foundation Program for school year 1981-82. One result of that appropriation reduction is that state funds are not provided for the cost of two (2) of the four (4) in-service days provided by KRS 158.070(3). The General Assembly hereby ratifies said funding reduction for school year 1981-82, but reestablishes funding for all four (4) in-service days for school years 1982-83 and 1983-84. However, included in the appropriation in fiscal year 1982-83 is $5,500,000 to reimburse school districts for the above mentioned, unfunded two (2) in-service days in the 1981-82 fiscal year. The Department of Education shall cause this reimbursement to be distributed not later than July 31, 1982, in amounts determined by the Department of Education.

Local school district personnel who are employed beyond the regular school term of 185 days shall be so employed in accordance with the provisions of KRS 157.390(2)(a) and 702 KAR 1:020, except that for purposes of calculation of salary allotments under the Foundation Program, the number of days of employment beyond 185 days shall be established in regulations promulgated by the State Board of Education upon recommendation by the Superintendent of Public Instruction, and funding for these extended employment days shall not exceed $18,761,100 in fiscal year 1982-83 and $19,820,000 in fiscal year 1983-84.

The allotment of any school district classroom units, pursuant to KRS 157.360(1) shall not exceed the number of teachers employed by that school district.

Notwithstanding the provisions of KRS 157.360(2), the allotments to school districts of basic classroom units for grades one (1) through three (3) shall be made on the basis of one for every twenty-five (25) pupils in average daily attendance. The allotments of basic classroom units for grades four (4) through twelve (12) shall be made on the basis of one for every twenty-seven (27) pupils in average daily attendance.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1982-83	1983-84
Vocational Education	2,858	2,858
Exceptional Children	4,210	4,210
Kindergarten	800	850

Provided, however, that if the budgeted units in any category of classroom units — Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration — prove to be excessive, the surplus may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board of Education and the Secretary of the Finance and Administration Cabinet.

Kindergarten units shall be allotted in fiscal year 1982-83 and fiscal year 1983-84 on the basis of one for every two classes with 25 pupils enrolled in each class.

The allotments of basic classroom units shall be made on the average daily attendance (ADA) for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions, notwithstanding the provisions of KRS 157.360(2): (a) an average daily attendance of eight and four-tenths (8.4) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each vocational education unit allotted, and (b) an average daily attendance of six and three-tenths (6.3) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each exceptional children unit allotted.

Notwithstanding the provisions of KRS 157.360(7)(a), the total number of administrative and special instructional services (ASIS) units allotted under KRS 157.360(7) shall be the sum of the total allotted number of basic units, kindergarten units, vocational units, and exceptional children units divided by 9. Allotments for classroom units pursuant to KRS 157.360(7) shall only be for those personnel who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1982-84 biennium shall be determined by multiplying the number of classroom units by: $3,680 in the 1982-83 school year and $4,050 in the 1983-84 school year.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: $1,800 in the 1982-83 school year and $1,800 in the 1983-84 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal years 1982-83 and 1983-84 shall lapse to the General Fund except where provisions to the contrary are provided in this Act. No unexpended portions of the School Foundation Program fund shall be expended at any time for the purpose of KRS 156.610 through 156.650 except as identified in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase, of the total appropriation to the Foundation Program is subject to Part VI, General Provisions, Section 8, of this Act, and the provisions of KRS 45.160.

Included in this appropriation is $69,877,500 in fiscal year 1982-83 and $73,720,700 in fiscal year 1983-84 for the costs of transporting pupils to and from school. Calculations of the allotments of pupil transportation funds to school districts shall be made in accordance with KRS 157.370 and 157A.090, except that the total of the funds allotted under KRS 157.390(5) shall not exceed $69,877,500 in fiscal year 1982-83 and $73,720,700 in fiscal year 1983-84; provided, however, that these sums may be increased by any excess funds appropriated for the School Foundation Program, but no such increases shall exceed the total transportation cost calculated in accordance with KRS 157.370 and 157A.090, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

There is included in the above appropriation for fiscal year 1982-83, $7,000,000 for the purpose of reimbursing school districts for transportation expenses incurred during fiscal year 1981-82.

In the event that the funds appropriated for pupil transportation in fiscal 1981-82 are insufficient to provide allotments to local school districts in accordance with KRS 157.370 and 157A.090, notwithstanding KRS 157.430, the allotments of funds for pupil transportation only to local school districts shall be ratably reduced without reducing other allotments under this appropriation.

Included in the School Foundation Program appropriation is $1,785,400 in fiscal year 1982-83 and $1,964,000 in fiscal year 1983-84 for Vocational Transportation.

e. Power Equalization

1982-83	$ 34,100,000
1983-84	$ 37,510,000

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.575.

f. Instructional Services

1982-83	$ 3,931,200
1983-84	$ 4,132,300

Included in the above appropriation is at least $2,080,700 in fiscal year 1982-83 and $2,185,700 in fiscal year 1983-84 for the Gifted and Talented program.

g. Finance and Administration

1982-83	$ 16,946,000
1983-84	$ 16,028,000

Included in the above appropriation is $3,231,700 for fiscal year 1982-83 and $2,654,900 for fiscal year 1983-84 for reimbursements to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. There is included in the above appropriation for fiscal year 1982-83, $800,000 for the purpose of reimbursing school districts for expenses incurred in the operation of the Out-of-District Program during fiscal year 1981-82. The provisions of KRS 158.135 notwithstanding, funds to be expended for the Out-of-District Children program shall be limited to these amounts, and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

The above appropriation also includes $282,700 in fiscal year 1982-83 and $303,900 in fiscal year 1983-84 for school district audits; and $9,459,300 in fiscal year 1982-83 and $8,573,800 in fiscal year 1983-84 for the purchase of textbooks for grades kindergarten through twelve.

Notwithstanding the provisions of KRS 156.440, the textbooks selected by the textbook commission for each subject and grade shall be used as a basal text in school districts for a period of six (6) years.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instructional materials, notwithstanding the provisions to the contrary in KRS 158.107.

Included in this appropriation is $200,000 in fiscal year 1982-83 and $410,000 in fiscal year 1983-84 for math and science scholarships. These scholarships shall be administered in accordance with regulations which shall be promulgated by the State Board of Education.

h. Vocational Education

1982-83	$ 39,453,100
1983-84	$ 42,641,500

Included in the above appropriation is at least $1,926,300 in fiscal year 1982-83 and $1,697,600 in fiscal year 1983-84 for equipment procurement and maintenance.

i. Rehabilitation Services

1982-83	$ 3,913,100
1983-84	$ 4,206,600

TOTAL - DEPARTMENT OF EDUCATION

1982-83	$ 963,109,500
1983-84	$1,027,907,400

30. KENTUCKY EDUCATIONAL TELEVISION

1982-83	$ 6,319,000
1983-84	$ 6,698,200

Included in the above appropriation is $607,800 in fiscal year 1982-83 and $608,800 in fiscal year 1983-84 for debt service.

31. HISTORICAL SOCIETY

1982-83	$ 1,352,200
1983-84	$ 1,463,000

32. LIBRARY AND ARCHIVES

1981-82	$ 125,000
1982-83	$ 7,293,300
1983-84	$ 8,296,700

The appropriation includes $900,000 in fiscal year 1982-83 and $1,450,000 in fiscal year 1983-84 for debt service payments for the new State Library and Archives Building.

The appropriation in fiscal year 1981-82 is for utilities and maintenance for the new building.

33. BUREAU FOR THE BLIND

1982-83	$ 1,014,500
1983-84	$ 1,237,600

Included in the above appropriation is $401,600 in fiscal year 1982-83 and $420,700 in fiscal year 1983-84 for Kentucky Industries for the Blind. Included in the above appropriation is $147,000 in fiscal year 1983-84 to replace federal funds for the Center for Independent Living.

34. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 6,651,900
1983-84	$ 6,976,600

Funds are appropriated for the purpose of meeting the debt service requirements on bonds and bond anticipation notes previously issued or authorized by the Authority. No funds are appropriated for new school building projects in the 1982-84 biennium. Included in the appropriation is $90,900 in fiscal year 1982-83 and $97,600 in fiscal year 1983-84 for administration.

35. TEACHERS' RETIREMENT SYSTEM

1982-83	$103,888,300
1983-84	$120,113,100

Funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.710.

The above appropriation includes $2,124,000 in General Funds in fiscal year 1983-84 to partially fund the cost of a retiree benefit cost-of-living increase which will increase benefits on July 1, 1982, and July 1, 1983, by one percent for each year a teacher has been retired not to exceed five years. The Teachers' Retirement System is hereby authorized to finance the $2,800,000 cost in fiscal year 1982-83 and $3,576,000 of the total $5,700,000 cost in fiscal year 1983-84 with excess investment earnings (above the actuary's assumed rate) from the retired member reserves.

Notwithstanding the employer contribution rates and benefit improvements effective July 1, 1982 established under the provisions of KRS 161.540(3) and 161.620(1)(b), all service performed after July 1, 1941 and before January 1, 1984 shall be valued at two percent (2%) of the final average salary. For retirements effective January 1, 1984, and thereafter, the allowance for service performed after January 1, 1984, shall be valued at two and one half percent (2.5%) of the final average salary for all members not employed by a state university or college, and two percent (2%) of the final average salary for members employed by a state university or college. Prior to January 1, 1984, each member employee shall contribute to the retirement system seven and eighty-four hundreds percent (7.84%) of annual compensation, except where KRS provisions otherwise define employee contributions of members employed by a state university or college. After January 1, 1984, each member employee not employed by a state university or college shall contribute to the retirement system nine and thirty-two hundreds percent (9.32%) of annual compensation.

The above appropriation is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.710. In the event the above appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1982-83 or fiscal year 1983-84 for the cost of administration.

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36. COMMISSION ON HUMAN RIGHTS

1982-83	$ 1,075,700
1983-84	$ 1,127,500

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37. COMMISSION ON WOMEN

1982-83	$ 123,800
1983-84	$ 132,900

TOTAL - EDUCATION AND HUMANITIES

1981-82	$ 125,000
1982-83	$ 1,090,828,200
1983-84	$ 1,173,953,000

E. ENERGY AND AGRICULTURE

38. DEPARTMENT OF ENERGY

a. Administration and Support

1982-83	$ 1,001,400
1983-84	$ 1,081,500

b. Bureau of Energy Production and Utilization

1982-83	$ 644,000
1983-84	$ 728,500

No grant from the above appropriations may be made to a private non-profit corporation without the prior approval of the Interim Joint Appropriations and Revenue Committee.

c. Bureau of Energy Research and Development

1982-83	$ 7,060,900
1983-84	$ 9,234,400

Included in the above appropriation are funds for the Kentucky Geological Survey.

d. Demonstration Trust Fund

1982-83	$ 3,500,000
1983-84	$ 4,013,800

TOTAL - DEPARTMENT OF ENERGY

1982-83	$ 12,206,300
1983-84	$ 15,058,200

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39. DEPARTMENT OF AGRICULTURE

1982-83	$ 7,170,200
1983-84	$ 7,737,900

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40. COUNCIL ON AGRICULTURE

1982-83	$ 700,000
1983-84	$ 650,000

41. STATE FAIR BOARD

1982-83	$ 4,442,200
1983-84	$ 6,105,700

Included in the above appropriation is $3,500,000 in fiscal year 1982-83 and $3,500,000 in fiscal year 1983-84 for debt service on the Project 26 bond issue. Also included in the above appropriation is $856,000 in fiscal year 1982-83 and $2,513,000 in fiscal year 1983-84 for the debt service on Project 21 bond issue. Additional funds required for debt service on Project 21 may be derived from the excess debt service reserve and project account surpluses in the Project 21 bond issue.

TOTAL - ENERGY AND AGRICULTURE

1982-83	$ 24,518,700
1983-84	$ 29,551,800

F. HIGHER EDUCATION

42. COUNCIL ON HIGHER EDUCATION

1982-83	$ 4,387,400
1983-84	$ 4,656,900

Included in the above appropriation is $63,000 in fiscal year 1982-83 for 15 entering optometry contract spaces and $66,000 in fiscal year 1983-84 for the continuation of the stated spaces.

43. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 5,619,300
1983-84	$ 7,218,300

Included in the above appropriation is $2,352,000 for fiscal year 1982-83 and $3,117,100 for fiscal year 1983-84 for the State Student Incentive Grant Program. Also included is $3,267,300 for fiscal year 1982-83 and $4,101,200 for fiscal year 1983-84 for the Kentucky Tuition Grant Program.

44. KENTUCKY STATE UNIVERSITY

1982-83	$ 9,399,100
1983-84	$ 9,599,100

Included in the above appropriation is $343,000 in fiscal year 1982-83 and $341,700 in fiscal year 1983-84 for debt service.

Included in the above appropriation are non-recurring funds of $100,000 in fiscal year 1982-83 and $300,000 in fiscal year 1983-84 and shall be used only to implement enhancement programs.

Any unexpended balance at the close of fiscal year 1981-82, fiscal year 1982-83, and fiscal year 1983-84 shall not lapse but shall carry forward to the new fiscal year.

45. EASTERN KENTUCKY UNIVERSITY

1982-83	$ 32,036,600
1983-84	$ 33,922,400

Included in the above appropriation is $1,945,200 in fiscal year 1982-83 and $1,945,200 in fiscal year 1983-84 for debt service.

46. MOREHEAD STATE UNIVERSITY

1982-83	$ 19,479,100
1983-84	$ 20,672,700

Included in the above appropriation is $1,396,700 in fiscal year 1982-83 and $1,399,200 in fiscal year 1983-84 for debt service.

47. MURRAY STATE UNIVERSITY

1982-83	$ 24,162,000
1983-84	$ 25,532,100

Included in the above appropriation is $1,629,900 in fiscal year 1982-83 and $1,632,000 in fiscal year 1983-84 for debt service.

48. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 19,369,000
1983-84	$ 20,525,000

Included in the above appropriation is $3,238,200 in fiscal year 1982-83 and $3,235,600 in fiscal year 1983-84 for debt service.

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49. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 30,418,900
1983-84	$ 32,273,800

Included in the above appropriation is $1,673,100 in fiscal year 1982-83 and $1,667,900 in fiscal year 1983-84 for debt service.

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50. UNIVERSITY OF LOUISVILLE

1982-83	$ 83,504,500
1983-84	$ 92,786,100

Included in the above appropriation is $8,902,200 in fiscal year 1982-83 and $10,743,700 in fiscal year 1983-84 for debt service.

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51. UNIVERSITY OF KENTUCKY

1982-83	$154,797,100
1983-84	$173,342,800

Included in the above appropriation is $7,382,800 in fiscal year 1982-83 and $10,061,000 in fiscal year 1983-84 for debt service. Of the stated debt service amounts, $1,288,500 in fiscal year 1982-83 and $2,721,900 in fiscal year 1983-84 are for the Community College System.

Included in the above appropriation is the appropriation for the Community College System which shall not be less than $23,887,100 in fiscal year 1982-83 and $28,423,900 in fiscal year 1983-84.

TOTAL - HIGHER EDUCATION

1982-83	$383,173,000
1983-84	$420,529,200

G. HUMAN RESOURCES

52. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83	$ 30,665,700
1983-84	$ 33,036,300

In the event that any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the bureau, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet. Notwithstanding KRS 45.235, any unexpended balance not used for Public Assistance Benefits remaining at the close of the 1982-83 fiscal year shall lapse.

2. Benefits

1982-83	$199,514,900
1983-84	$223,939,600

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. Included in the above appropriation for benefits is $346,300 in fiscal year 1982-83 and $393,200 in fiscal year 1983-84 for reinstatement of the Special Allowance for Child Care in the Aid to Families with Dependent Children Program and $2,050,000 in fiscal year 1982-83 and $2,050,000 in fiscal year 1983-84 for Home and Community Based Services in the Medical Assistance Program. The General Funds appropriated for the benefits portion of the Medical Assistance Program shall not exceed $150,139,600 in fiscal year 1982-83 and $173,054,400 in fiscal year 1983-84. In addition, the Secretary of the Department is hereby directed to transfer at least 9% of federal receipts for the Home Energy Assistance Program Block Grant to the In-Home Services Subprogram of the Bureau for Social Services, in each year of the biennium.

The Department shall develop, present to the Legislative Research Commission, and implement no later than July 1, 1982, a Medicaid cost containment plan which will:

1. Assure that total Medicaid expenditures for each year of the biennium do not exceed the Medicaid appropriation for each year of the biennium;
2. Limit total Medicaid expenditures to service providers for optional institutional care to not more than 33% for fiscal year 1982-83 and 33% for fiscal year 1983-84 of the total appropriation for Medicaid benefits, and
3. Establish utilization and cost controls for Medicaid service recipients and providers and discourage non-essential utilizations.

In developing this plan, it is the intent of the 1982 General Assembly that the Department shall consider the following priorities in the order listed:

1. Improve program management and administration, e.g., with respect to fraud detection, collection of third party payments and error rates;
2. Reduce services or payment rates within a reimbursable category;
3. Eliminate reimbursable service categories;
4. Reduce the number of eligible recipients within a group;
5. Implement co-payment on recipients; and
6. Eliminate recipient groups.

No portion of this appropriation may be used for the costs of administration. In no instance shall the unexpended balance carried forward, as provided by KRS 45.235, or any portion thereof be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet.

All medical assistance vendor statements for services rendered as a result of bona fide claims for medical care may be paid in the fiscal year in which such statements are received by the paying agency.

b. Bureau for Manpower Services

1982-83	$ 280,000
1983-84	$ 280,000

In the event that in one or both fiscal years of the biennium, the General Fund appropriations to this bureau is not required as match against the Federal Work Incentive Program funds, such appropriations shall be transferred to the Bureau for Social Insurance to be utilized as additional funding for the AFDC Child Care Special Allowance Subprogram.

c. Bureau for Health Services

1982-83	$105,331,200
1983-84	$109,346,200

Included in the above appropriation is $3,000,000 each fiscal year of the biennium for debt service. Also, included is at least $9,393,500 in fiscal year 1982-83 and at least $10,069,400 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with Regional Mental Health-Mental Retardation Boards.

No funds are included within the above appropriation for costs associated with the implementation of Chapter 254 of the 1980 Acts of the General Assembly, effective July 1, 1982.

Included in the above appropriation is $4,000,000 in fiscal year 1982-83 to assist the University of Kentucky and the University of Louisville teaching hospitals in meeting any deficit as may be identified by the Secretary of the Department for Human Resources. In the event any of these funds are not needed for meeting said deficits, the remaining funds may be transferred to the Bureau for Social Insurance, Medical Assistance program upon approval by the Secretary of the Department for Human Resources and the Secretary of the Finance and Administration Cabinet.

In the Local Health Grants and Administration subprogram, the Department shall distribute the allotments in a manner which shall not discriminate financially against any local health department which chooses to remain independent from a multi-county district health department.

Included in the above appropriations are the following: at least $550,000 in fiscal year 1982-83 and $591,300 in fiscal year 1983-84 for expansion of diabetes screening and treatment; at least $200,000 each year to reinstate funding for the University of Louisville Child Evaluation Center; at least $201,500 each year to reinstate funding for services to chronically ill children; at least $48,000 in fiscal year 1982-83 and $410,200 in fiscal year 1983-84 for expansion of preventive health services for low-income children under the age of seven; and at least $4,990,800 in fiscal year 1982-83 and $6,276,750 in fiscal year 1983-84 to reimburse Level II and Level III hospitals for neonatal care uncollectible costs. In addition, the Department is hereby directed to seek a waiver of federal Medicaid requirements to permit Medicaid reimbursement for up to 21 days for neonatal care, but retaining the 14 day limit for Medicaid reimbursement for other eligible groups.

No funds are included in the above appropriations for the Primary Care Development subprogram in the Primary Care Program, and furthermore, it is the intention of the General Assembly that the Primary Care Development subprogram be abolished by the end of fiscal year 1981-82.

d. Bureau for Social Services

1982-83	$ 37,767,900
1983-84	$ 42,890,700

Included in the above appropriations are the following: at least $1,423,500 in fiscal year 1982-83 and $2,847,000 for fiscal year 1983-84 to increase foster care payment rates; at least $150,000 in fiscal year 1983-84 to increase subsidized adoption payments; at least $495,000 in fiscal year 1982-83 and $585,400 in fiscal year 1983-84 for three new day treatment programs; at least $134,500 in fiscal year 1982-83 and $345,700 in fiscal year 1983-84 for ten new group homes.

Also included in the above appropriations is at least $7,852,800 in fiscal year 1982-83 and $8,641,300 in fiscal year 1983-84 for protective services on behalf of children and adults. Included in the above appropriations for this subsection for protective services is $686,000 in fiscal year 1982-83 and $794,000 in fiscal year 1983-84 for spouse abuse shelters and crisis centers; also included is $40,000 in fiscal year 1982-83 and $45,000 in fiscal year 1983-84 for Parents Anonymous of Kentucky, Inc.

For fiscal year 1982-83, $200,000 of the $686,000 appropriated for protective services is designated for use by new spouse abuse shelter or crisis center applicants according to the challenge grant formula set forth below, while the remainder, $486,000, shall be divided among the seven currently existing spouse abuse programs based upon negotiation between the directors of such programs and Department staff. Any balance remaining of the funds allotted to new applicants in fiscal year 1982-83 not expended or obligated at the end of that year shall be carried forward and added to the allotment of $794,000 for fiscal year 1983-84.

Beginning in fiscal year 1982-83 for new applicants (agencies which have not received state funding support prior to July 1, 1982), and in fiscal year 1983-84 for all applicants, a challenge grant formula shall be utilized to determine allocations of spouse abuse shelter and crisis center funds. The formula shall allocate, to the extent appropriated funds permit, $1 for each dollar raised by qualifying applicants from local or federal (non-state) resources. Qualifying applicants may receive allocations up to a maximum of 50% of their proposed annual budget, such percentage to decline in each subsequent year of application by 5% to a minimum floor of 25% state funding support. A qualified applicant means any public, non-profit incorporated agency which provides, or intends to provide, shelter care, counseling and domestic violence crisis intervention services, for spouses and their children.

Nothing in the requirements established in this section for participation in the spouse abuse shelter and crisis center challenge grant program shall be interpreted to supercede the Department's normal and customary right to establish reasonable performance standards for qualifying applicants provided such standards are established as Kentucky Administrative Regulations after consultation with staff directors of all spouse abuse shelters or crisis centers which presently receive state funding support.

No funds are included within the above appropriation for costs associated with the implementation of Chapter 280 of the 1980 Acts of the General Assembly, effective July 1, 1982.

e. Executive Policy Support

1982-83	$ 9,934,500
1983-84	$ 10,679,600

Included in the above appropriation is $2,803,300 in fiscal year 1982-83 and $2,794,900 in fiscal year 1983-84 for debt service.

TOTAL - HUMAN RESOURCES

1982-83	$383,494,200
1983-84	$420,172,400

H. JUSTICE

53. DEPARTMENT OF JUSTICE

a. Bureau of Training

1982-83	$ 7,947,900
1983-84	$ 2,160,800

Included in the above appropriation is $5,942,200 in fiscal year 1982-83 for the Kentucky Law Enforcement Foundation Program Fund. The General Fund shall be reimbursed as agency receipts accrue to the Kentucky Law Enforcement Foundation Program Fund to the sum of $5,942,200 in fiscal year 1982-83. Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed in KRS 15.460 and KRS 15.500.

b. Bureau of State Police

1982-83	$ 57,413,600
1983-84	$ 60,795,200

Included in the above appropriation is $280,000 in fiscal year 1982-83 and $310,000 in fiscal year 1983-84 to fund liability insurance for sworn personnel. Should enabling legislation fail to pass, these amounts shall lapse to the General Fund.

Also included in the above appropriation in both fiscal years is funding for the reinstatement of 5 arson investigator positions and 15 civilian driver tester positions, thereby freeing 15 sworn troopers, or trooper positions in the event of retirement, to return to full active duty. It is the intention of the General Assembly that personnel dollars provided herein, and further detailed in the legislative budget workpapers, are to maintain the Operations Program at a personnel complement level at least 10% above its August 15, 1981 reported level of 925. In no instance shall the funding integrity of this complement be reduced through layoffs or other personnel actions. If personnel reductions should be necessary due to budgetary constraints, such reductions shall be accomplished first through reactivating sworn administrative personnel or secondly by reducing manpower assigned to Professional Services, Administration, Special Investigation, and Special Enforcement. The above level of appropriation reflects the transfer of Water Enforcement from Special Enforcement to the Department of Natural Resources.

Further, the above appropriation is made in recognition of fuel conservation policies practiced by the Bureau and in support of continued refinement of those practices to make more cost-efficient both vehicle and fuel purchase and use. It is the expressed intent of the General Assembly that the Bureau examine additional cost-containment measures for fuel purchase, including local bidding and use of bulk tanks at posts or through other state agencies, as feasible.

The above appropriation affirms Executive Order 80-929, Special Investigative Command. It is the direction of the General Assembly that the Bureau adhere to KRS Chapter 12 and related statutes and procedures established for all executive branch reorganizations including executive orders, appropriate documentation and legislative confirmation during the next regular session of the General Assembly.

Any extraordinary expenditures of funds as a result of the Governor's call of the Kentucky State Police to extraordinary duty is hereby declared to be a necessary government expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

c. Office of Public Advocacy

1981-82	$ 713,300
1982-83	$ 5,711,300
1983-84	$ 6,643,100

Included in the above appropriation is $5,081,000 in fiscal year 1982-83 and $5,909,500 in fiscal year 1983-84 for the implementation of a structured local defense system which eliminates the assigned counsel method of attorney procurement and provides full-time offices or contractual arrangements with one or more attorneys, professional service corporations, nonprofit organizations or an association of attorneys to provide legal services as detailed in the legislative budget workpapers.

It is the direction of the General Assembly that the Office of the Public Advocacy continue to the best of its ability, to effectuate recoupment procedures as prescribed in KRS Chapter 31.

d. Justice Administration

1982-83	$ 1,528,300
1983-84	$ 1,663,400

Included in the fiscal year 1983-84 appropriation is $52,200 to match anticipated Federal funds. Should Federal funds not become available, this stated sum shall not be transferred or otherwise expended but shall lapse to the General Fund.

Also included in the above appropriation is $725,500 in fiscal year 1982-83 and $744,700 in fiscal year 1983-84 for the expansion of the Medical Examiners' Program. It is the intention of the General Assembly to continue interim study of coroner reform, including constitutional provisions and the effective and feasible funding of coroner support programs.

TOTAL - DEPARTMENT OF JUSTICE

1981-82	$ 713,300
1982-83	$ 72,601,100
1983-84	$ 71,262,500

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

54. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 6,270,000
1983-84	$ 6,740,300

Not less than $60,000 of the appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is deemed to be a necessary government expense by written order of the Governor upon certification by the Secretary of the Finance and Administration Cabinet as to the advisability of such expenditure.

b. Bureau for Environmental Protection

1982-83	$ 6,945,400
1983-84	$ 7,351,300

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83	$ 4,586,900
1983-84	$ 5,278,400

Included in the above appropriations are at least $100,000 in each fiscal year for oil shale regulation development.

d. General Administration and Support

1982-83	$ 3,892,700
1983-84	$ 4,181,100

Included in the above appropriation is $700,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 for the maintenance and operation at the Maxey Flats Nuclear Waste Disposal Site. Also included in the above appropriation is $465,300 in fiscal year 1982-83 and $552,700 in fiscal year 1983-84 for capital improvements at the Maxey Flats Nuclear Waste Disposal Site. The capital improvements appropriation shall be expended only upon prior approval of the appropriate interim committee as determined by the Legislative Research Commission.

TOTAL - DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,695,000
1983-84	$ 23,551,100

55. ENVIRONMENTAL QUALITY COMMISSION

1982-83	$ 56,600
1983-84	$ 60,800

56. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 156,600
1983-84	$ 168,300

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,908,200
1983-84	$ 23,780,200

J. PUBLIC PROTECTION AND REGULATION

57. OFFICE OF THE SECRETARY

1982-83	$ 230,900
1983-84	$ 247,900

58. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83	$ 1,115,800
1983-84	$ 1,183,300

59. DEPARTMENT OF BANKING AND SECURITIES

1982-83	$ 2,000,700
1983-84	$ 2,150,800

Notwithstanding the provision of KRS 47.130, receipts collected by the Department shall be deposited to the credit of the General Fund.

60. BOARD OF TAX APPEALS

1981-82	$ 7,400
1982-83	$ 166,000
1983-84	$ 172,300

61. DEPARTMENT OF INSURANCE

1982-83	$ 1,735,300
1983-84	$ 1,833,200

62. DEPARTMENT OF LABOR

1982-83	$ 1,314,700
1983-84	$ 1,417,100

63. REGISTRY OF ELECTION FINANCE

1982-83	$ 252,600
1983-84	$ 252,700

64. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 5,084,500
1983-84	$ 5,408,200

65. PUBLIC SERVICE COMMISSION

1982-83	$ 3,129,300
1983-84	$ 3,448,300

66. KENTUCKY STATE RACING COMMISSION

1982-83	$ 367,600
1983-84	$ 392,200

67. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 438,300
1983-84	$ 469,300

68. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 5,649,900
1983-84	$ 3,660,900

Included in the above appropriation is $360,000 in fiscal year 1982-83 and $368,600 in fiscal year 1983-84 for the Fire Department Aid as prescribed by KRS 17.210 through KRS 17.270 and KRS 95A.010 through KRS 95A.050. Also included in the appropriation is $1,951,200 in fiscal year 1982-83 for the Professional Firefighters' Foundation Program Fund and $276,100 in fiscal year 1982-83 for Volunteer Fire Department Grants. In the event that enabling legislation is enacted by the 1982 General Assembly to provide otherwise funding for workmen's compensation for volunteer firefighters, $300,000 of the above appropriation in fiscal year 1983-84 shall remain unallotted and shall lapse to the credit of the general fund.

69. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1982-83	$ 941,800
1983-84	$ 787,800

Included in the above appropriations in fiscal year 1982-83 is $209,000 to pay crime victims compensation claims outstanding on June 30, 1982.

TOTAL - PUBLIC PROTECTION AND REGULATION

1981-82	$ 7,400
1982-83	$ 22,427,400
1983-84	$ 21,424,000

K. TRANSPORTATION

70. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 1,231,100
1983-84	$ 1,387,600

Included in the above appropriation is $74,500 in fiscal year 1982-83 and $76,500 in fiscal year 1983-84 for debt service. In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $278,900 from the Transportation Fund to support the activities of the Air Regulatory and Airport Development programs, in the manner prescribed in the legislative workpapers of the 1982 General Assembly. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds for airport development projects. In the preparation of the fiscal biennium 1984-86 budget request, the Department of Transportation shall submit to the 1984 General Assembly and the Legislative Research Commission a list of airport development projects proposed for funding during that biennium, based on the most current estimates of anticipated funds, by source.

b. Rail Transportation

1982-83	$ 68,800
1983-84	$ 76,500

c. Public Transportation

1982-83	$ 511,300
1983-84	$ 640,500

In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $129,200 from the Transportation Fund for the purpose of providing ten percent (10%) of the funds required for match toward authorized capital purchases by local transit authorities. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds on capital purchases by local transit authorities.

d. General Administration and Support

1982-83	$ 436,500
1983-84	$ 467,700

In fiscal year 1982-83 and fiscal year 1983-84, in addition to the amounts appropriated above, the Department of Transportation shall allot $75,000 from the Transportation Fund to the Transportation Planning program for the administration of the Lebanon to Kane rail rehabilitation project in Taylor County and for preparation of the annual update of the statewide rail plan.

e. Highways

1) Bureau of Vehicle Regulation

1982-83	$ 3,768,100
1983-84	$ 4,000,500

Included in the above appropriation is $2,948,600 in fiscal year 1982-83 and $3,012,600 in fiscal year 1983-84 to complete the implementation of the Automated Vehicle Information System.

TOTAL - TRANSPORTATION

1982-83	$ 6,015,800
1983-84	$ 6,572,800

TOTAL - EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1981-82	$ 845,700
1982-83	$2,273,633,200
1983-84	$2,497,893,600

PART II
TRUST AND AGENCY FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1984, all of the fees (which include fees for board and room, athletics, and student activities) and rental, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Trust and Revolving, or an Agency Fund out of which shall be established separate Trust and Revolving or Agency Fund accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, and 45.

In the event receipts received and credited to any Trust and Revolving or Agency Fund account during fiscal year 1982-83 or fiscal year 1983-84 and any balance forwarded to the credit of any such account from the previous year, exceed, by the sum of five percent (5%), the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all trust and agency funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Trust and Revolving or Agency Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Trust and Revolving or Agency Fund for such year, out of which has been established a Trust and Revolving or Agency Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and expenditure with amounts provided in the executive budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Committee on Appropriations and Revenue, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. SECRETARY OF STATE

Notwithstanding the provisions of KRS 118.610, 271A.625, KRS 271A.630, KRS 271A.635, and KRS 56.300; all the operating receipts from all activities of the office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

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2. BOARD OF ELECTIONS

1982-83	$ 88,100
1983-84	$ 53,100

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3. TREASURY

1982-83	$ 165,000
1983-84	$ 165,000

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4. DEPARTMENT OF LAW

1982-83	$ 1,598,400
1983-84	$ 1,543,500

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5. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 638,400
1983-84	$ 511,500

The Auditor of Public Accounts shall quarterly notify the Finance and Administration Cabinet of the status of the collection of fees charged for county audit work conducted, and the Finance and Administration Cabinet shall withhold any monies due any county government which is delinquent in payment of fees to the Auditor of Public Accounts for the term of one hundred and twenty (120) days until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is hereby authorized to increase the audit fees for conducting County Audits if additional revenues are needed to continue the operation of the office.

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6. CAPITAL PLAZA

1982-83	$ 2,221,400
1983-84	$ 2,188,800

The above funds include $1,870,600 in fiscal year 1982-83 and $1,842,500 in fiscal year 1983-84 for the payment of the debt service of the Capital Plaza.

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7. FINANCE AND ADMINISTRATION CABINET

a. Office of the Secretary

1982-83	$ 634,600
1983-84	$ 693,100

All funds received under any program of anti-recession or counter cyclical assistance enacted by the United States Congress are hereby appropriated to the Finance and Administration Cabinet to be used for the maintenance of basic services in and among the various agencies, cabinets, and departments of state government. Any portion of these funds may be transferred to other major program areas or agencies of state government for the purpose of continuing basic services; provided, however, that such transfers shall be used to reduce General Fund appropriations and shall not in any way increase the expenditure level authorized by the General Assembly.

b. Department of Administration
  1982-83 .... $ 8,837,200
  1983-84 .... $ 8,941,350

c. Department of Facilities Management
  1982-83 .... $ 22,340,300
  1983-84 .... $ 24,132,400

d. Department of Personnel
  1982-83 .... $ 1,680,000
  1983-84 .... $ 1,753,500

e. Office for Program Administration
  1982-83 .... $ 13,500

f. Department of Information Systems
  1982-83 .... $ 20,845,700
  1983-84 .... $ 22,503,600

g. Kentucky Retirement Systems
  1982-83 .... $ 1,016,600
  1983-84 .... $ 1,097,600

h. Public Employes Deferred Compensation System
  1982-83 .... $ 66,900
  1983-84 .... $ 61,400

It is the intent of the General Assembly that the Executive Secretary for the Public Employes Deferred Compensation shall authorize any expenditures and/or receipts of the Public Employes Deferred Compensation System. The Secretary of Finance and Administration shall submit to the Executive Secretary of the Public Employes Deferred Compensation System a monthly report which identifies the expenditures and/or receipts of the Public Employes Deferred Compensation System.

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8. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations
  1982-83 .... $ 546,000
  1983-84 .... $ 521,600

b. Disaster and Emergency Services
  1982-83 .... $ 30,000
  1983-84 .... $ 30,000

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9. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1982-83	1983-84
a. Board of Accountancy	$199,100	$210,600
b. Board of Architects	$ 79,000	$ 82,500
c. Board of Auctioneers	$ 81,000	$ 86,600
d. Board of Barbers	$119,900	$120,900
e. Board of Chiropractic Examiners	$ 42,000	$ 42,000
f. Board of Dental Examiners	$193,500	$221,300
g. Board of Embalmers and Funeral Directors	$ 90,700	$102,000
h. Board of Engineers and Land Surveyors	$209,500	$223,100
i. Board of Hairdressers and Cosmetologists	$374,300	$425,500
j. Board of Hearing Aid Dealers	$ 9,500	$ 10,000
k. Board of Landscape Architecture	$ 8,400	$ 8,800
l. Board of Medical Licensure	$186,800	$206,500
m. Board of Nurses	$619,400	$653,000
n. Nursing Home Administrators Licensure Board	$ 42,000	$ 42,000
o. Board of Ophthalmic Dispensers	$ 9,800	$ 10,000
p. Board of Optometric Examiners	$ 37,100	$ 40,800
q. Board of Pharmacy	$224,100	$232,200
r. Board of Physical Therapy	$ 28,500	$ 28,500
s. Board of Podiatry	$ 3,000	$ 3,000
t. Board of Proprietary Education	$ 43,700	$ 44,400

		1982-83	1983-84
u.	Board of Psychology	$ 21,200	$ 22,300
v.	Real Estate Commission		
	1. Examination and Licensing	$352,700	$395,400
	2. Real Estate Education Research and Recovery	$716,300	$735,600
w.	Board of Social Workers	$ 37,100	$ 38,100
x.	Board of Speech Pathologists and Audiologists	$ 8,800	$ 8,900
y.	Board of Veterinary Examiners	$ 24,500	$ 24,500
z.	Board of Watchmaking	$ 8,600	$ 8,600

10. COUNTY FEES

	1982-83	1983-84
Jefferson County	$7,501,000	$7,943,000
Kenton County	$1,753,000	$1,857,000
Campbell County	$1,073,000	$1,138,000
Fayette County	$4,738,000	$5,032,000
Daviess County	$1,165,000	$1,233,000
Pike County	$1,097,000	$1,168,000

County fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law to be paid, by the State, to these officials when their claims for fees have been presented to the Finance and Administration Cabinet in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet, and to pay the Fiscal Court of each of said counties twenty-five percent (25%) of said fees as required by KRS 64.350.

11. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83 .... $ 11,700

12. KENTUCKY HORSE COUNCIL

1982-83 .... $ 16,400
1983-84 .... $ 17,500

13. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83 .... $ 500,400
1983-84 .... $ 330,000

B. COMMERCE

14. DEPARTMENT OF PARKS

1982-83 .... $ 29,015,500
1983-84 .... $ 29,990,400

Included in the above appropriation is $1,250,000 in fiscal year 1982-83 and $925,000 in fiscal year 1983-84 for the Maintenance and Restoration Program.

15. DEPARTMENT OF THE ARTS

1982-83 .... $ 102,000
1983-84 .... $ 144,500

16. KENTUCKY HORSE PARK

1982-83 .... $ 2,861,500
1983-84 .... $ 3,043,000

17. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83 .... $ 273,300
1983-84 .... $ 189,200

18. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1982-83 .... $ 8,711,700
1983-84 .... $ 8,870,800

19. FISH AND WILDLIFE

1982-83 .... $ 14,907,800

1983-84	$ 16,439,200

Included in the above appropriation are funds to repair and maintain dams throughout the Commonwealth which are owned by the Department of Fish and Wildlife.

C. CORRECTIONS

20. CORRECTIONS CABINET

1982-83	$ 3,955,900
1983-84	$ 4,305,900

D. EDUCATION AND HUMANITIES

21. DEPARTMENT OF EDUCATION

a. General Administration and Support

1982-83	$ 1,849,500
1983-84	$ 1,866,300

b. Education for Exceptional Children

1982-83	$ 1,000
1983-84	$ 1,000

c. Vocational Education

1982-83	$ 16,835,400
1983-84	$ 17,189,500

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22. KENTUCKY EDUCATIONAL TELEVISION

1982-83	$ 305,000
1983-84	$ 305,000

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23. HISTORICAL SOCIETY

1982-83	$ 278,500
1983-84	$ 276,200

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24. LIBRARY AND ARCHIVES

1982-83	$ 166,000
1983-84	$ 163,000

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25. BUREAU FOR THE BLIND

1982-83	$ 1,103,000
1983-84	$ 1,167,200

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26. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 179,000

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27. COMMISSION ON WOMEN

1982-83	$ 2,400

E. ENERGY AND AGRICULTURE

28. DEPARTMENT OF ENERGY

a. General Operations

1982-83	$ 770,000
1983-84	$ 5,000

Included in the above appropriation for fiscal year 1982-83 is $556,000 for synthetic fuels development projects, $179,000 for an alternate energy trust fund, and $30,100 for an alternate transportation demonstration project.

b. Demonstration Trust Fund

1982-83	$ 400,000
1983-84	$ 100,000

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29. DEPARTMENT OF AGRICULTURE

1982-83	$ 1,768,500
1983-84	$ 1,742,300

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30. COUNCIL ON AGRICULTURE

1982-83	$ 1,000

1983-84	$ 1,000

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31. STATE FAIR BOARD

1982-83	$ 12,616,300
1983-84	$ 12,851,800

Any receipts in excess of the above amounts shall not be transferred to the depreciation reserve maintenance fund or to the capital construction fund.

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32. TOBACCO RESEARCH BOARD

1982-83	$ 56,600
1983-84	$ 58,000

F. HIGHER EDUCATION

33. COUNCIL ON HIGHER EDUCATION

a. Council Operations

1982-83	$ 15,000

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34. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 9,432,800
1983-84	$ 9,544,700

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35. UNIVERSITY OF KENTUCKY

1982-83	$161,374,300
1983-84	$171,391,000

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36. UNIVERSITY OF LOUISVILLE

1982-83	$ 59,012,200
1983-84	$ 62,606,200

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37. EASTERN KENTUCKY UNIVERSITY

1982-83	$ 28,289,900
1983-84	$ 30,739,900

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38. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 20,787,200
1983-84	$ 23,172,300

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39. MOREHEAD STATE UNIVERSITY

1982-83	$ 13,460,500
1983-84	$ 14,528,700

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40. MURRAY STATE UNIVERSITY

1982-83	$ 16,145,000
1983-84	$ 17,454,500

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41. KENTUCKY STATE UNIVERSITY

1982-83	$ 3,676,500
1983-84	$ 3,676,500

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42. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 9,071,300
1983-84	$ 10,005,100

G. HUMAN RESOURCES

43. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Benefits

1982-83	$ 1,930,000
1983-84	$ 2,300,000

b. Bureau for Manpower Services

1982-83	$ 903,400

1983-84 .... $ 898,300

c. Bureau for Health Services
1982-83 .... $ 27,214,000
1983-84 .... $ 26,732,400

Included in the above appropriation is $2,778,200 in fiscal year 1982-83 and $2,640,200 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with Regional Mental Health-Mental Retardation Boards as replacement for the loss of Social Services (Title XX) Block Grant funds.

d. Bureau for Social Services
1982-83 .... $ 2,686,600
1983-84 .... $ 2,712,900

e. Executive Policy Support
1982-83 .... $ 6,880,000
1983-84 .... $ 6,979,600

H. JUSTICE

44. JUSTICE

a. Bureau of Training
1982-83 .... $ 20,000
1983-84 .... $ 8,544,000

Included in the above appropriation in fiscal year 1983-84 is $8,412,500 in receipts from the insurance premium tax for the purpose of the Kentucky Law Enforcement Foundation Program as enacted by the 1982 General Assembly.

b. Bureau of State Police
1982-83 .... $ 328,100
1983-84 .... $ 246,400

c. Office for Public Advocacy
1982-83 .... $ 49,000
1983-84 .... $ 51,000

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

45. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources
1982-83 .... $ 2,189,600
1983-84 .... $ 2,188,000

Included in the above appropriation is $1,492,000 in fiscal year 1982-83 and $1,500,000 in fiscal year 1983-84 for the water safety enforcement program.

b. Bureau for Environmental Protection
1982-83 .... $ 716,328
1983-84 .... $ 903,900

c. Bureau for Surface Mining Reclamation and Enforcement
1982-83 .... $ 50,000
1983-84 .... $ 54,400

d. General Administration and Support
1982-83 .... $ 485,100
1983-84 .... $ 510,100

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46. KENTUCKY NATURE PRESERVES COMMISSION
1982-83 .... $ 95,600
1983-84 .... $ 50,700

J. PUBLIC PROTECTION AND REGULATION

47. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
1982-83 .... $ 4,500
1983-84 .... $ 4,500

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48. DEPARTMENT OF INSURANCE
1982-83 .... $ 1,164,000
1983-84 .... $ 1,239,000

49. DEPARTMENT OF LABOR

1982-83	$ 93,576,400
1983-84	$ 99,181,900

50. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 402,000
1983-84	$ 402,000

51. KENTUCKY STATE RACING COMMISSION

1982-83	$ 2,514,400
1983-84	$ 2,559,900

52. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 1,328,200
1983-84	$ 1,278,200

53. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 2,734,300
1983-84	$ 8,100,000

Included in the above appropriation in fiscal year 1983-84 is $5,586,300 in receipts from the insurance premium tax for the purpose of the Professional Firefighters Foundation Program Fund including administrative costs as enacted by the 1982 General Assembly.

K. TRANSPORTATION

54. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 10,000
1983-84	$ 12,000

b. Highways

1982-83	$ 2,796,000
1983-84	$ 3,840,000

PART III
FEDERAL FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1982, Federal subventions, grants, contracts and other Federal funds received, income from investments and other miscellaneous Federal receipts received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Federal Fund out of which shall be established separate accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS chapter 12, 42, and 45.

In the event receipts received and credited to any Federal Fund account during fiscal year 1982-83 or fiscal year 1983-84, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed, by the sum of five percent, the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all Federal funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Federal Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Federal Fund for such year, out of which has been established a Federal Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet.

On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures for the ensuing fiscal year, a comparison of any revised estimates with the amounts provided in the Executive Budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Appropriations and Revenue Committee, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. DEPARTMENT OF LAW

1982-83	$ 392,000
1983-84	$ 290,400

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2. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

1982-83	$ 656,200
1983-84	$ 695,700

b. Disaster and Emergency Services

1982-83	$ 945,500
1983-84	$ 959,500

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3. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83	$ 1,699,800
1983-84	$ 1,663,700

B. COMMERCE

4. DEPARTMENT OF THE ARTS

1982-83	$ 937,000
1983-84	$ 630,000

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5. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83	$ 23,479,100
1983-84	$ 30,639,000

Included in the above appropriation in fiscal year 1982-83 is $612,800 for administration and $22,866,300 for grants for the Federal Community Development Block Grant program for small cities. Included in the above appropriation in fiscal year 1983-84 is $612,800 for administration and $30,026,200 for grants for the Federal Community Development Block Grant program for small cities.

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6. FISH AND WILDLIFE

1982-83	$ 2,554,200
1983-84	$ 1,624,200

C. CORRECTIONS

7. CORRECTIONS CABINET

1982-83	$ 18,900

D. EDUCATION AND HUMANITIES

8. DEPARTMENT OF EDUCATION

a. General Administration and Support

1982-83	$128,058,800
1983-84	$124,575,400

b. Education for Exceptional Children

1982-83	$ 13,183,500
1983-84	$ 10,538,300

c. Instructional Services

1982-83	$ 396,400
1983-84	$ 399,300
d. Finance and Administration	
1982-83	$ 1,410,800
1983-84	$ 1,277,200
e. Vocational Education	
1982-83	$ 13,590,300
1983-84	$ 13,722,500
f. Rehabilitation Services	
1982-83	$ 15,121,900
1983-84	$ 15,122,600
9. LIBRARY AND ARCHIVES	
1982-83	$ 1,032,500
1983-84	$ 974,200
10. BUREAU FOR THE BLIND	
1982-83	$ 1,953,100
1983-84	$ 1,819,400
11. ADVISORY COUNCIL ON VOCATIONAL EDUCATION	
1982-83	$ 125,900
1983-84	$ 112,900

E. ENERGY AND AGRICULTURE

12. DEPARTMENT OF ENERGY	
1982-83	$ 939,500
1983-84	$ 786,200
13. DEPARTMENT OF AGRICULTURE	
1982-83	$ 3,056,900
1983-84	$ 2,821,200

F. HIGHER EDUCATION

14. COUNCIL ON HIGHER EDUCATION	
a. Council Operations	
1982-83	$ 10,000
15. HIGHER EDUCATION ASSISTANCE AUTHORITY	
1982-83	$ 1,237,400
1983-84	$ 1,237,400
16. UNIVERSITY OF KENTUCKY	
1982-83	$ 36,887,900
1983-84	$ 36,887,900
17. UNIVERSITY OF LOUISVILLE	
1982-83	$ 10,477,100
1983-84	$ 11,105,800
18. EASTERN KENTUCKY UNIVERSITY	
1982-83	$ 2,145,000
1983-84	$ 2,145,000
19. WESTERN KENTUCKY UNIVERSITY	
1982-83	$ 2,117,500
1983-84	$ 2,318,400
20. MOREHEAD STATE UNIVERSITY	
1982-83	$ 1,530,300
1983-84	$ 1,530,300

21. MURRAY STATE UNIVERSITY

1982-83	$ 3,800
1983-84	$ 3,800

22. KENTUCKY STATE UNIVERSITY

1982-83	$ 3,808,900
1983-84	$ 3,808,900

23. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 591,700
1983-84	$ 591,700

G. HUMAN RESOURCES

24. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83	$ 66,962,800
1983-84	$ 72,725,300

2. Benefits

1982-83	$641,702,900
1983-84	$669,659,000

b. Bureau for Manpower Services

1982-83	$ 51,495,100
1983-84	$ 51,007,800

c. Bureau for Health Services

1982-83	$ 39,034,300
1983-84	$ 39,737,900

In the Local Health Grants and Administration subprogram, the Department shall distribute the allotments in a manner which shall not discriminate financially against any local health department which chooses to remain independent from a multi-county district health department.

d. Bureau for Social Services

1982-83	$ 61,695,100
1983-84	$ 62,258,800

The percentage share of Federal funds allocated through contract with Regional Mental Health-Mental Retardation Boards for fiscal years 1982-83 and 1983-84 for provision of social services under the Social Services Block Grant plan shall be no less than a 14.1 percent share of the amount of the block grant or $5,523,600, whichever amount is less.

e. Executive Policy Support

1982-83	$ 10,586,900
1983-84	$ 10,764,600

H. JUSTICE

25. JUSTICE

a. Office of Public Advocacy

1982-83	$ 193,400
1983-84	$ 141,100

b. Justice Administration

1982-83	$ 1,233,600
1983-84	$ 681,300

c. Bureau of State Police

1982-83	$ 1,200,000
1983-84	$ 1,200,000

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

26. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 2,427,000
1983-84	$ 2,544,600

b. Bureau for Environmental Protection

1982-83	$ 4,708,100

1983-84	$ 3,940,100
c. Bureau for Surface Mining Reclamation and Enforcement	
1982-83	$ 11,993,700
1983-84	$ 12,276,500
d. General Administration and Support	
1982-83	$ 987,400
1983-84	$ 540,000

Any federally funded project to be located at the Maxey Flats nuclear waste burial site shall require approval of the appropriate interim committee as determined by the Legislative Research Commission prior to initiation of the project.

27. ENVIRONMENTAL QUALITY COMMISSION	
1982-83	$ 5,221
1983-84	$ 2,221
28. KENTUCKY NATURE PRESERVES COMMISSION	
1982-83	$ 17,500

J. PUBLIC PROTECTION AND REGULATION

29. DEPARTMENT OF LABOR	
1982-83	$ 2,212,500
1983-84	$ 2,366,800
30. DEPARTMENT OF MINES AND MINERALS	
1982-83	$ 750,000
1983-84	$ 750,000
31. PUBLIC SERVICE COMMISSION	
1982-83	$ 158,100
1983-84	$ 166,900
32. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION	
1982-83	$ 59,400
1983-84	$ 3,800

K. TRANSPORTATION

33. DEPARTMENT OF TRANSPORTATION	
a. Air Transportation	
1982-83	$ 2,511,600
1983-84	$ 2,511,600
b. Rail Transportation	
1982-83	$ 840,000
1983-84	$ 480,000
c. Public Transportation	
1982-83	$ 2,225,000
1983-84	$ 2,225,000
d. Highways	
1982-83	$200,567,700
1983-84	$211,300,200

PART IV
TRANSPORTATION FUND

Monies in the Transportation Fund are appropriated for use by the Department of Transportation in the activities, functions, and duties performed by it as prescribed by law. The Transportation Fund shall consist of all the state revenues realized from fees, taxes, and license fees levied for state road purposes authorized by law, and any additional or other revenues, grants, or funds, including local and private grant receipts as well as any amount which may be received from Federal aid, bond funds, General Funds appropriated, or any other sources pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Transportation. Such receipts and revenues, and unappropriated surplus, together with any balance as of June 30, 1982, shall constitute the Transportation Fund for the fiscal years 1982-83 and 1983-84 respectively. An annual budget for each fiscal year shall be submitted by the Department of Transportation to the Finance and Administration Cabinet for approval by June 1, 1982, for fiscal year 1982-83 and by June 1, 1983, for fiscal year 1983-84. A copy of the annual budget submission and the approved annual budget shall be transmitted concurrently to the Legislative Research Commission. The budget shall be based upon the most current State Road Fund estimates and Surplus, estimates of contractual and noncontractual Federal aid, General Funds appropriated, and funds and fees from any other source. In fiscal year 1982-83 and fiscal year 1983-84, the Legislative Research Commission, or its designated body, may request and the Department of Transportation shall furnish, such information on the program services, resources, and expenditures relating to the annual budget for the stated fiscal years, or any revisions thereof, as may be deemed necessary.

In the event the State Road Fund estimates are revised during the biennium, the Department of Transportation shall submit its annual budget, and any revisions thereto, based upon the new estimates. These estimates are to be certified by the Commissioner of Revenue to the Secretary of the Finance and Administration Cabinet and upon the approval of the Governor, the Secretary of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission, shall make the appropriate increases or decreases to the Department of Transportation's annual budget. A copy of the revised annual budget, and accompanying certification and documentation, shall be provided to the Legislative Research Commission. If the State Road Fund estimates are increased or decreased during a fiscal year the Department of Transportation shall request from the Finance and Administration Cabinet with approval of the Governor authority to increase or decrease its annual budget in accordance with Part VI, General Provisions, Section 8 of this Act. A copy of this request and any record of approval shall be provided to the Legislative Research Commission.

Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $21,750,000 in fiscal year 1981-82, $42,750,000 in fiscal year 1982-83, and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

There is hereby authorized in the Transportation Fund a bond fund authorization of up to $300,000,000 in the 1982-84 biennium for the constructing and rehabilitating of roads, along with the related costs, in the Kentucky primary road system, except that should the bonds authorized for fiscal year 1981-82 in an amount up to $150,000,000 be issued as provided in House Bill 931 of the 1980 Regular Session of the General Assembly, the bond fund authorization contained herein shall be reduced by the amount of such issue. The related debt service payments or lease rental payments to the Kentucky Turnpike Authority, as appropriate, may be expended from funds appropriated to the Transportation Fund.

The following monies are appropriated from the State Road Fund and Transportation Fund.

A. TRANSPORTATION

1. DEPARTMENT OF TRANSPORTATION

a. General Administration and Support

1982-83	$ 30,976,000
1983-84	$ 32,186,300

Included in the above Road Fund appropriation is $30,901,000 in fiscal year 1982-83 and $32,111,300 in fiscal year 1983-84. Also included in the above appropriation is $75,000 each fiscal year, appropriated from the Transportation Fund, for the purpose of the administration of the Lebanon to Kane rail rehabilitation project in Taylor County and for the preparation of the annual update of the statewide rail plan. The Department of Transportation shall transmit a copy of its annual Planning and Research program to the Legislative Research Commission.

Included in the above Road Fund appropriation is $6,693,100 in fiscal year 1982-83 and $6,750,600 in fiscal year 1983-84 for the Property and Supply Program. The Department of Transportation shall report to the Capital Construction and Equipment Oversight Committee, emergency construction, new construction or improvements to its maintenance and equipment barns, district office buildings, storage sheds, and other highway type building projects initiated in each fiscal year, above $100,000. This information shall include the cost of each project by phase.

The total current year Road Fund appropriation for General Administration and Support for fiscal year 1982-83 and fiscal year 1983-84, including transfers from surplus and inter-program transfers, shall not exceed the levels contained in this act, without the approval of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission.

b. Air Transportation

1982-83 .... $ 278,900

The above amount shall be appropriated from the Transportation Fund in fiscal year 1982-83 to support the activities of the Air Regulatory and Airport Development programs in the manner prescribed by the 1982 General Assembly and the legislative budget workpapers.

c. Public Transportation

1982-83 .... $ 129,200

The above amount shall be appropriated from the Transportation Fund in fiscal year 1982-83 for the purpose of providing ten percent (10%) of the funds required for match toward authorized capital purchases by local transit authorities.

d. Highways

1. Bureau of Highways

1982-83 .... $457,323,200
1983-84 .... $489,417,700

a) Rural Highways

i. County Road Aid. For construction, reconstruction, improvement, and maintenance of county roads and bridges the designated portion of all revenue received pursuant to KRS 138.220 and 138.565 shall be expended in accordance with KRS 177.320(2). These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360.

ii. Rural Secondary Roads. For construction, reconstruction, and maintenance of rural and secondary roads, the designated portion of all revenue received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended in accordance with KRS 177.320. These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360. In addition, pursuant to the duties and responsibilities of county judge/executives associated with the administration of the local county road program, beginning January 1, 1978, the expense allowance for each county judge/executive shall be paid from the Transportation Fund. These expenses shall be paid from those appropriated funds for the rural secondary road revenue sharing program as provided in KRS 177.360 and KRS 67.

b) Municipal Aid. For the construction, reconstruction, and maintenance of urban roads, streets, and bridges, the designated amounts received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended and distributed in accordance with KRS 177.365 through 177.368.

c) Included in the above appropriation is $7,500,000 in fiscal year 1982-83 and $15,000,000 in fiscal year 1983-84 for the debt service payments required for up to $150,000,000 in Ecomonic Development Road bonds to be issued in fiscal year 1981-82.

d) Included in the above Road Fund appropriation is $105,518,700 in fiscal year 1982-83 and $107,590,700 in fiscal year 1983-84 for the maintenance of the state highway system. Prior to the beginning of each fiscal year, the Department of Transportation shall submit a copy of its annual statewide maintenance program itemized by individual maintenance activities to the Legislative Research Commission.

At the close of each fiscal year, the Department shall transmit to the Legislative Research Commission a report on the actual expenditures and work accomplishments for individual maintenance activities by district.

In the preparation of its fiscal biennium 1984-86 budget request, the Department of Transportation shall submit proposed statewide expenditures and service levels for maintenance activities as prescribed by the Legislative Research Commission.

2. Bureau of Vehicle Regulation

1982-83 .... $ 3,332,800
1983-84 .... $ 3,078,000

TOTAL - HIGHWAYS

1982-83 .... $460,656,000
1983-84 .... $492,495,700

The combined total current year appropriations for fiscal year 1982-83 and fiscal year 1983-84, including transfers from surplus and inter-program transfers, for the Research, Vehicle Regulation, Engineering Administration, Highway Planning, and District Office Operations programs shall not exceed the levels contained in this act for fiscal biennium 1982-84 without the approval of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission.

TOTAL - DEPARTMENT OF TRANSPORTATION

1982-83	$492,040,100
1983-84	$524,682,000

PART V
CAPITAL CONSTRUCTION FUND

Monies in the Capital Construction fund are appropriated for the following capital projects. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1982-84 biennium.

A. GOVERNMENT OPERATIONS

			1982-83	1983-84
1.	Capital Plaza			
	a.	Repair and Renovation of Facilities		
2.	Finance and Administration			
	a.	Emergency Repair, Maintenance, and Replacement Fund		
		Investment Income	2,250,000	2,250,000
	b.	Capital Construction and Equipment Purchase Contingency Fund		
		Investment Income	500,000	500,000
	c.	504 Handicapped Projects		
		Investment Income	250,000	250,000
	d.	Capital Complex		
		Investment Income	1,500,000	1,500,000
	e.	Central Control System Expansion		
	f.	Direct Access Storage Device - Disk Controller		
		Agency Fund (1981-82-$64,000)		
	g.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$54,700)		
	h.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$54,700)		
	i.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$50,000)		
	j.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$50,000)		
	k.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$50,000)		
	l.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$50,000)		
	m.	Direct Access Storage Device - Disk Drive		
		Agency Fund (1981-82-$50,000)		
	n.	Additional Memory		
		Agency Fund (1981-82-$148		
	o.	Battery Upgrade - UPS System		
		Agency Fund (1981-82-$110,000)		
	p.	AP Processor		
		Agency Fund (1981-82-$765,000)		
	q.	Multi-Processor Communications Unit		
		Agency Fund (1981-82-$205,000)		
	r.	Power and Coolant Distribution Unit		
		Agency Fund (1981-82-$114,000)		
	s.	Console		
		Agency Fund (1981-82-$96,000)		
	t.	Direct Access Storage Device - Disk Controller		
		Agency Fund (1981-82-$65,000)		

		1982-83	1983-84
u.	Direct Access Storage Device - Disk Controller		
	Agency Fund (1981-82-$65,000)		
v.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$55,000)		
w.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$55,000)		
x.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$55,000)		
y.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$55,000)		
z.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
aa.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
bb.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
cc.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
dd.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ee.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ff.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
gg.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
hh.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ii.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
jj.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
kk.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ll.	Computer Equipment-Interest Payments		
	Investment Income	450,000	450,000
	Investment Income (1981-82-$1,155,000)		
mm.	Direct Access Storage Device - Disk Controller		
	Agency Fund	37,500	37,500
nn.	Direct Access Storage Device - Disk Drive		
	Agency Fund	32,500	32,500
oo.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
pp.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
qq.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
rr.	Direct Access Storage Device - Disk Controller		
	Agency Fund	50,000	50,000
ss.	Direct Access Storage Device - Disk Drive		
	Agency Fund	25,000	25,000
tt.	Direct Access Storage Device - Disk Drive		
	Agency Fund	25,000	25,000
uu.	Laser Beam Printer		
	Agency Fund	84,000	84,000
vv.	Direct Access Storage Device - Disk Controller		

		1982-83	1983-84
	Agency Fund	50,000	50,000
ww.	Direct Access Storage Device - Disk Drive		
	Agency Fund	65,000	65,000
xx.	Direct Access Storage Device - Disk Drive		
	Agency Fund	65,000	65,000
yy.	Direct Access Storage Device - Disk Drive		
	Agency Fund	65,000	65,000
zz.	Direct Access Storage Device - Disk Drive		
	Agency Fund	32,500	32,500
aaa.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
bbb.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
ccc.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
ddd.	Additional Memory (8 megabytes) 3033 System		
	Agency Fund	190,000	190,000
eee.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
fff.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
ggg.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
hhh.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
iii.	Processor-Mainframe		
	Agency Fund		450,000
jjj.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
kkk.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
lll.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
mmm.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
nnn.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
ooo.	Direct Access Storage Device - Disk Drive		
	Agency Fund		25,000
ppp.	Direct Access Storage Device - Disk Drive		
	Agency Fund		25,000
qqq.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
rrr.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
sss.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
ttt.	Direct Access Storage Device - Disk Controller		
	Agency Fund		50,000
uuu.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
vvv.	Direct Access Storage Device - Disk Drive		
	Agency Fund		65,000
www.	Direct Access Storage Device - Disk Drive		

			1982-83	1983-84
		Agency Fund		65,000
3.	Military Affairs			
	a.	Major Maintenance and Repairs		
		Investment Income	750,000	750,000
		Federal Fund	111,100	111,100
		TOTAL	861,100	861,100
	b.	Bell Jet Ranger Rotor Replacement		
		Investment Income	35,000	
	c.	Armory Addition-Bowling Green		
		Federal Fund	136,700	
	d.	United States Property and Fiscal Office Addition-Frankfort		
	e.	Organizational Maintenance Shop-Ashland		
		Federal Fund	425,500	

B. COMMERCE

1.	Office of the Secretary			
	a.	Economic Development Projects		
		Bond Fund	25,000,000	50,000,000
2.	Kentucky Development Finance Authority (KDFA)			
	a.	Kentucky Development Finance Authority Loan Program		
		Bond Fund	50,000,000	
3.	Department of Parks			
	a.	Miscellaneous Major Maintenance		
		General Fund	1,000,000	1,000,000
		Investment Income	500,000	500,000
		TOTAL	1,500,000	1,500,000

If economic development bonds are not available for boat ramps at Taylorsville Lake, $300,000 of the above General Fund appropriation shall be made available for the boat ramps in fiscal year 1982-83.

	b.	Ben Hawes State Park: Pavilion		
4.	Kentucky Horse Park			
	a.	Horse stalls		
		General Fund	150,000	150,000
5.	Department of Fish and Wildlife Resources			
	a.	Land Acquisition		
		Federal Fund	2,250,000	2,250,000
		Agency Fund	750,000	750,000
		TOTAL	3,000,000	3,000,000
	b.	Crawler Tractor		
		Federal Fund	48,750	
		Agency Fund	16,250	
		TOTAL	65,000	
	c.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	d.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	e.	Road Grader		
		Federal Fund	67,500	
		Agency Fund	22,500	
		TOTAL	90,000	
	f.	Combine		
		Federal Fund	41,250	
		Agency Fund	13,750	
		TOTAL	55,000	
	g.	Repair of Dams		

		1982-83	1983-84
	Agency Fund		

As the amount is undeterminable and the repairs are done on an as need basis funds will be transferred as needed.

C. CORRECTIONS

		1982-83	1983-84
1.	Luckett Correctional Institution Fifth Dorm		
	Bond Fund (1981-82—$2,815,900)		
2.	Luckett Correctional Institution Vocational School		
	Bond Fund (1981-82—$1,568,000)		
3.	Kentucky State Penitentiary Housing Unit and Storage Facility		
	Bond Fund (1981-82—$6,141,000)		
4.	Kentucky State Reformatory Renovate Two Dorms		
	Bond Fund (1981-82—$1,500,000)		
5.	Kentucky State Penitentiary Sewage Treatment		
	Bond Fund (1981-82—$200,000)		
6.	Kentucky State Penitentiary Locking System—Phase 1		
	Bond Fund (1981-82—$750,000)		
7.	Kentucky State Penitentiary Cellhouse Renovation		
	Bond Fund (1981-82—$1,200,000)		
8.	Kentucky State Reformatory Electrical System		
	Bond Fund (1981-82—$812,000)		
9.	Kentucky State Penitentiary Electrical Distribution System		
	Bond Fund (1981-82—$1,077,600)		
10.	Kentucky State Penitentiary Steam Loop		
	Bond Fund (1981-82—$300,000)		
11.	Kentucky State Reformatory Visiting Building		
	Bond Fund (1981-82—$267,300)		
12.	Kentucky State Penitentiary Electric Boiler Repair		
	Bond Fund (1981-82—$250,000)		
13.	Miscellaneous Projects		
	Bond Fund (1981-82—$357,200)		
14.	Kentucky State Reformatory Renovation of Two Additional Dormitories		
	Bond Fund (1981-82—$1,800,000)		
15.	Modular Housing Units		
	Bond Fund (1981-82—$1,325,000)		
16.	Kentucky State Penitentiary Phase II Locking System		
	Bond Fund (1981-82—$250,000)		
17.	Blackburn Correctional Complex Replacement of Boiler System		
	Bond Fund (1981-82—$1,790,000)		
18.	Miscellaneous Projects		
	Investment Income	500,000	500,000

D. EDUCATION AND THE HUMANITIES

		1982-83	1983-84
1.	School for the Blind		
	a. Classroom Building - Addition		
	Bond Fund (1981-82—$2,632,500)		
2.	Rehabilitation Services		
	a. Eastern Kentucky Rehabilitation Center-Roof and structural repairs		
	Investment Income	181,000	
	Federal Fund	669,000	
	TOTAL	850,000	
3.	Vocational Education		

			1982-83	1983-84
	a.	Daviess County State Vocational-Technical School-HV/AC and Related Structural Repairs		
		Investment Income	210,000	

E. ENERGY AND AGRICULTURE CABINET

1.	Kentucky State Fair Board			
	a.	Coliseum Facade and Related Improvements		
		Bond Fund	1,000,000	
	b.	Greenhouse and Nursery		
		Agency Fund	250,000	
	c.	New Graphics		
		Agency Fund	192,200	
		Bond Fund	417,800	
		TOTAL	610,000	
	d.	Replace Lighting Fixtures in Coliseum, West Wing and Pavilion		
		Agency Fund	1,000,000	
	e.	New Ticket Control Facilities		
		Agency Fund	250,000	
	f.	Major Maintenance and Repair Kentucky Fair and Exposition Center		
		Agency Fund	500,000	500,000
	g.	Major Maintenance and Repair Commonwealth Convention Center		
		Agency Fund	150,000	150,000
	h.	Coliseum Roof Coating		
		Agency Fund	750,000	
	i.	Structural and General Repairs to Coliseum		
		Agency Fund	325,000	
	j.	Replace Stadium Roof		
		Agency Fund	350,000	
	k.	Resurface Parking Lots and Driveway		
		Agency Fund	500,000	500,000
	l.	Pave Former Speedway Area		
		Agency Fund	300,000	
	m.	Concert Staging for Freedom Hall		
		Agency Fund	100,000	
	n.	Street Sweeper		
		Agency Fund	70,000	
	o.	Land Purchase		
		Agency Fund	1,465,000	
2.	Department of Energy			
	a.	Computer 32 bit		
		General Fund	432,000	

Before the equipment is purchased it must have the approval of the Capital Construction and Equipment Purchase Oversight Subcommittee.

F. HIGHER EDUCATION

1.	Council on Higher Education			
	a.	Major Maintenance Fund		
		Investment Income	1,000,000	1,500,000
2.	Eastern Kentucky University			
	a.	Major Maintenance		
		Agency Fund	2,500,000	2,500,000
	b.	Donovan Building - Renovation		
		Agency Fund	524,000	
	c.	Academic Computer		
		Agency Fund	500,000	
	d.	Case Hall Renovation		

			1982-83	1983-84
		Agency Fund	500,000	
	c.	Telephone System		
		Agency Fund	500,000	
	f.	Laboratory Mini Computer		
		Agency Fund	60,000	
	g.	Planetarium Electronic Control System		
		Agency Fund	110,000	
3.		Morehead State University		
	a.	Miscellaneous Maintenance		
		Agency Fund	450,000	450,000
	b.	Electric Cable Replacement		
		Agency Fund	357,000	
	c.	Laughlin Hall Roof Repair		
		Agency Fund	208,000	
	d.	Replacement of Steam Loop		
		Agency Fund	297,000	
	c.	Baird Music Hall Renovation		
		Agency Fund	114,950	
	f.	Interior Renovation of Button Auditorium, Phase II		
		Agency Fund	200,000	
	g.	Mays Hall Renovation		
		Agency Fund		1,280,000
	h.	Thompson Hall Renovation		
		Agency Fund		2,170,000
	i.	Telephone System		
		Agency Fund	240,000	240,000
	j.	Garbage Truck		
		Agency Fund	55,000	
	k.	Tour Bus		
		Agency Fund		150,000
	l.	Fire Truck		
		Agency Fund		175,000
		Local Fund		175,000
		TOTAL		350,000
	m.	Computer Lease/Purchase		
		Agency Fund (1981-82-$85,000)	85,000	85,000
4.		Murray State University		
	a.	Miscellaneous Campus Projects		
		Agency Fund	700,000	700,000
	b.	Waste Treatment Apparatus		
		Agency Fund	89,000	
	c.	Football Field Resurfacing		
		Agency Fund	500,000	
	d.	Wilson Hall Renovation		
		Agency Fund	2,200,000	
	e.	Former Laboratory School Renovation		
		Agency Fund	300,000	
	f.	Bulldozer		
		Agency Fund	85,000	
	g.	Front-End Loader		
		Agency Fund	52,000	
	h.	Computer System		
		Agency Fund	550,000	
	i.	Animal Disease Diagnostic Laboratory		
		Agency Fund (1981-82-$197,400)		
5.		Northern Kentucky University		
	a.	Pedestrian Bridge		
		Agency Fund	125,000	
	b.	Engineering Study/Sewer Line Development		

			1982-83	1983-84
		Agency Fund	50,000	
	c.	Academic Computer		
		Agency Fund	385,000	
	d.	Central Maintenance System - Student Housing		
		Agency Fund	290,000	
	e.	Central Maintenance System Emergency Phones		
		Agency Fund	95,000	
	f.	Academic Health/Education		
		Building Bond Fund	9,332,000	
6.		Western Kentucky University		
	a.	Downing Center Roof Repair		
		Agency Fund	350,000	
	b.	Thompson Complex Roof Repair		
		Agency Fund	160,000	
	c.	Life Safety Projects		
		Agency Fund	500,000	
	d.	Major Maintenance and Repair Projects		
		Agency Fund		500,000
	e.	Gordon Wilson Hall Renovation		
		Agency Fund	207,500	
	f.	Thompson Complex—North Wing Renovation		
		Agency Fund		987,500
	g.	Alterations for Energy Conservation		
		Agency Fund		500,000
	h.	Computer Hardware		
		Agency Fund	360,000	
	i.	Video Tape Recorder		
		Agency Fund		70,000
7.		University of Louisville		
	a.	HPER/Multipurpose Building Planning		
		Agency Fund	400,000	
	b.	Speed School Renovation		
		Bond Fund	1,000,000	
	c.	"K" Building Renovation		
		Agency Fund	1,500,000	
	d.	Natural Science Building Renovation		
		Bond Fund	500,000	
	e.	Radiation Center Renovation		
		Agency Fund		500,000
	f.	Carmichael School Renovation		
		Agency Fund		300,000
	g.	Reynolds Building Renovation		
		Agency Fund		1,200,000
	h.	Brook Street Repairs and Paving		
		Agency Fund	134,000	
	i.	Ultrasound Unit		
		Agency Fund	100,000	
	j.	Radiographic Room Equipment		
		Agency Fund	231,100	
	k.	Emergency Room Equipment		
		Agency Fund	100,000	
	l.	Portable X-Ray		
		Agency Fund	60,000	
	m.	Electron Microscope		
		Agency Fund	100,000	
	n.	Fourier Transform Infrared Spectrophotometer		
		Agency Fund	100,000	

		1982-83	1983-84
o.	Fourier Transform Nuclear Magnetic Resonance Spectrometer		
	Agency Fund	300,000	
p.	Expansion of Energy Management System		
	Agency Fund	1,500,000	
q.	Word Processing System (Business)		
	Agency Fund		70,000
r.	Administrative Computer		
	Agency Fund	81,000	81,000
s.	Academic Computer		
	Agency Fund	75,000	
t.	Main Frame Replacement, DEC 10		
	Agency Fund		190,000
u.	Miscellaneous Projects: Energy Conservation (1981-82-Federal Fund-$499,100, Bond Fund-$505,800)		
v.	Business Building		
	Bond Fund		9,796,000
8.	University of Kentucky		
a.	Poultry Research Unit		
b.	Livestock Disease Diagnostic Center		
c.	Southeast Community College Technical Building/Learning Resources Center		
d.	Elizabethtown Community College Learning Resource Center		
	Bond Fund	2,000,000	
e.	Funkhouser Building Phase III Renovation		
	Agency Fund	800,000	
f.	Journalism Building Renovation		
	Agency Fund	500,000	
g.	McVey Hall Renovation Phase I		
	Agency Fund	600,000	
	Phase II		
	Agency Fund		1,600,000
h.	Medical Center Auditorium Renovation		
	Agency Fund		225,000
i.	Hospital - Sixth Floor North Renovation		
	Agency Fund		400,000
j.	Hospital Planning		
	Agency Fund	500,000	1,000,000
k.	Hospital Elevator		
	Agency Fund	800,000	
l.	Hospital Renovation		
	Agency Fund	600,000	600,000
m.	Parking Structure #3 (Parking/North Hospital)		
	Agency Fund		3,400,000
n.	MTS Model 815.03 Closed Loop Hydraulic System		
	Agency Fund	250,000	
o.	Vacuum Chamber Sorption Pump/Ion Pump Assembly		
	Agency Fund	65,000	
p.	High Resolution Mass Spectrometer		
	Agency Fund	390,000	
q.	Jeol 5-35 Scanning Electron Microscope		
	Agency Fund	92,000	
r.	Cambridge Quantinet - 900 Image Analysis System		
	Agency Fund	140,000	

		1982-83	1983-84
s.	Hitachi H-600 Transmission Electron Microscope		
	Agency Fund	138,000	
t.	Thermo Vision System		
	Agency Fund		65,000
u.	HP Gas Chromatograph/Mass Spectrometer System		
	Agency Fund		91,000
v.	Microstructure Image Analysis System		
	Agency Fund		50,000
w.	Far-Infrared Fast Fourier Transform Spectrometer		
	Agency Fund		114,800
x.	KeV Electronic Microscope Equipment		
	Agency Fund		250,000
y.	Ultrasonic Image Analysis		
	Agency Fund		143,100
z.	X-Ray Diffractometer		
	Agency Fund		116,000
aa.	Hardware for University Hospital Management System		
	Agency Fund	250,000	
bb.	Library Automated Circulation System		
	Agency Fund	320,000	
cc.	Administrative Minicomputer (CCS)		
	Agency Fund	150,000	
dd.	Replacement Computer for IBM 370/165		
	Agency Fund	1,600,000	
ee.	Graphics Minicomputer System (Computer Engineering Research Lab)		
	Federal Fund	213,400	
	Agency Fund	148,600	
	TOTAL	362,000	
ff.	Geological Survey Minicomputer		
	Federal Fund	160,000	
	Agency Fund	20,000	
	TOTAL	180,000	
gg.	Microprogrammable Minicomputer System		
	Federal Fund	45,500	
	Agency Fund	45,500	
	TOTAL	91,000	
hh.	Clinical Lab Computer		
	Agency Fund		250,000
ii.	Upgrade Business Affairs Wang Computer		
	Agency Fund		121,000
jj.	College of Medicine Minicomputer		
	Agency Fund		300,000
kk.	Agriculture Minicomputer		
	Agency Fund		500,000
ll.	PDP or VAX Minicomputer		
	Agency Fund		150,000
mm.	Upgrading DEC PDP 11/34 Computer		
	Agency Fund		130,000
nn.	Delta 2000 Computer System (Energy Management System)		
	Agency Fund		100,000
oo.	Stores Inventory System		
	Agency Fund		66,000
pp.	Word Processing Expansion		
	Agency Fund		300,000

		1982-83	1983-84
qq.	Minicomputer (Student Records)		
	Agency Fund		200,000
rr.	Graphics Lab		
	Agency Fund		80,000
ss.	Upgrading HP 100 Computer Department of Physics		
	Agency Fund		83,000
tt.	Microcomputer		
	Agency Fund		226,200
uu.	VPR 2-B Television Tape Recorders (3)		
	Agency Fund	260,000	
vv.	Remote Television Production Package		
	Agency Fund	200,000	
ww.	Chiller Addition		
	Agency Fund	1,345,000	
xx.	Time and Attendance Recording System—Dining Management		
	Agency Fund		68,000
yy.	Food Service Access ID System		
	Agency Fund		71,000
zz.	Graphics System		
	Federal Fund		104,000
	Agency Fund		26,000
	TOTAL		130,000
aaa.	Journalism Editing/Typesetting Equipment		
	Agency Fund		200,000
bbb.	Phototypesetter/Word Processor		
	Agency Fund		60,000
ccc.	Maysville Community College - Academic/Technical Building		
	Bond Fund	1,600,000	
ddd.	Somerset Community College - Academic/Technical Building		
	Bond Fund	1,800,000	
eee.	Jefferson Community College - Southwest Auditorium		
	Bond Fund		1,400,000
fff.	Paducah Community College-Student Center-Phase II		
	Bond Fund		1,500,000
ggg.	Mining and Minerals Resources Building		
	Bond Fund		8,000,000
hhh.	Pharmacy Building		
	Bond Fund	8,230,000	
9.	Kentucky State University		
a.	Hunter Hall Renovation		
	Agency Fund	1,100,000	
b.	Agricultural Research Facility		
	Federal Fund	4,000,000	
c.	Student Cafeteria (1981-82-$2,600,000)		

The funds for the cafeteria shall be provided from the funds budgeted for Underwood Cafeteria and Hunter Hall for 1980-82 ($2,120,700). The balance ($479,300) shall be made available from agency funds.

d.	Physical Facilities Enhancement Projects		
	Agency Fund	1,000,000	1,000,000

Kentucky State University shall undertake and complete by August, 1982, a physical facilities inventory with the objective of promoting facility development that supports the redefined mission.

Any findings, as a result of the inventory that need to occur during the 1982-84 biennium which are subject to the provisions of KRS 45.750-45.800, will require both Council on Higher Education approval and reporting to the Capital Construction and Equipment Purchase Oversight Committee.

			1982-83	1983-84
		G. DEPARTMENT FOR HUMAN RESOURCES		
1.		Bureau for Health Services		
	a.	Eastern State Hospital - Renovation Wendell Building		
		Bond Fund (1981-82—$5,157,600)		
		Buildings #56, 57, 58		
		Bond Fund (1981-82—$5,626,000)		
	b.	Central State Hospital-Replacement Facility		
		Bond Fund (1981-82—$9,500,000)		
	c.	Hazelwood State Hospital-Ceiling Replacement		
	d.	Western State Hospital-Psychiatric Detention Center		
	e.	Western State Hospital-Boiler Replacement		
		Investment Income	300,000	
	f.	Eastern State Hospital-Roof Replacement		
		Investment Income		250,000
	g.	Central State Hospital-Fire Alarm System		
		Investment Income	125,000	100,000
	h.	Miscellaneous Projects		
		Investment Income	135,800	400,000
2.		Bureau for Social Services		
	a.	Danville Youth Development Center-Life Safety and HV/AC Upgrading		
		Investment Income	250,000	650,000
	b.	Danville Youth Development Center-Steamline Repair and Elimination		
		Investment Income	250,000	
	c.	Kentucky Children's Home - Roof Repair		
		Investment Income	189,200	
3.		Executive Policy Support		
	a.	Miscellaneous Projects		
		Agency Fund	1,305,300	435,000
	b.	Louisville Office Building - Repair and Refurbishment		
		Agency Fund	412,500	
	c.	Ashland Youth Development Center - Life Safety and Handicapped Access Codes		
		H. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION		
1.		Repair of State-Owned Dams		
		Investment Income	750,000	750,000

The above appropriation shall not be used to repair dams owned by the Department of Fish and Wildlife.

Those projects listed by title in this Act but for which no funds are shown are previously authorized projects for which there is sufficient funding available for completion in the absence of any additional funding in the 1982-84 biennium. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund. Those projects set forth under the sub-heading "higher education" are subject to the action and approval of the Council on Higher Education and subject to the approval of the Finance and Administration Cabinet. Furthermore, the Council on Higher Education shall develop and approve a higher education computer plan to be submitted to the Secretary of Finance and Administration Cabinet by July 1, 1982. The provisions of KRS 45.750 through 45.990 notwithstanding it is the intent of the General Assembly that capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between Regular Sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Construction and Equipment Purchase Oversight Committee receives prior notification.

Advances may be made from the Capital Construction and Equipment Purchase Contingency Fund to pay the 1982-83 and 1983-84 debt service on the City of Louisville and Jefferson County Bonds for the construction of the University of Louisville Teaching Hospital. Any advances made under this authorization shall be repaid with interest to the Fund.

Any funds remaining in projects no longer authorized on July 1, 1982, under the provisions of KRS 45.750 through 45.990 shall lapse to the Capital Construction Emergency Repair, Maintenance and Replacement Fund to be expended in accordance with the provisions of KRS 45.780. Notwithstanding the provisions of KRS 45.770, the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for projects which may be contemplated for future funding. Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance and Replacement Fund allotments, subject to the provisions of KRS 45.780.

Included in the above appropriation is an Economic Development bond authorization of $25,000,000 for fiscal year 1982-83 and $50,000,000 for fiscal year 1983-84. This funding is recommended for projects that are associated with economic development and will be identified during the 1982-84 biennium by the Secretary of the Commerce Cabinet. Examples of projects that may be included are riverports, parks, economic development, energy development and tourism. Before any economic development bonds are issued, the proposed bond issue and the proposed project shall be submitted to the Capital Construction and Equipment Purchase Oversight Subcommittee for review under the provisions of KRS 45.750-45.800.

Also included in the above appropriation is a Kentucky Development Finance Authority Loan program bond authorization of $50,000,000 for fiscal year 1982-83. These bond proceeds will be utilized to make loans for manufacturing, agribusiness, and tourism projects and will be identified during the 1982-84 biennium by the Kentucky Development Finance Authority Board of Directors.

Inasmuch as the identification of specific projects in a variety of areas of the State Government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly, the provisions of KRS 45.750 through 45.990 notwithstanding, to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development Projects, Area Development Fund, Handicapped Access, and Fire and Life Safety. Any project estimated to cost over $200,000 and equipment estimated to cost over $50,000 shall be reported to the Capital Construction and Equipment Purchase Oversight Subcommittee.

All monies transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

If at end of any fiscal year the monies and securities to the credit of the State Fire and Tornado Insurance Fund exceed $2,000,000 and if conditions with respect to life and safety in state properties are such as not to require the expenditure of all excess funds for improvements to said conditions, then the Secretary of the Finance and Administration Cabinet, with the concurrence of the Commissioner of Insurance, shall transfer up to $1,300,000 in fiscal year 1982-83 and $1,300,000 in fiscal year 1983-84 of the amount of such excess not so required and may authorize its transfer to the Capital Construction Fund, for expenditure in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes.

PART VI
GENERAL PROVISIONS

1. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1982, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42 and 45 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet in accordance with the detailed estimates embodied in the 1982-84 Executive Budget and supporting legislative budget records and workpapers, as considered by the 1982 Regular Session and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration

Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the State and Federal Governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs.

4. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act, notwithstanding any provisions of the Kentucky Revised Statutes to the contrary, except as provided by Chapters 12, 42, 56, 152, 177 and 341 of the Kentucky Revised Statutes. All laws and portions of laws in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed.

5. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the Governor's enacted budget and is supported by appropriate work papers and other records pertaining thereto.

6. Any General Fund appropriation made herein in anticipation of a lack, loss, or reduction of Federal grants shall lapse to the General Fund to the extent such Federal funds otherwise become available.

7. To the extent that Federal monies become available to the Commonwealth under Title IV of Public Law 95-87, it is the intent of the General Assembly that these monies be appropriated to the Finance and Administration Cabinet to be used for nonrecurring projects in accordance with the intent of the Federal law.

8. Whereas, inasmuch as the finances of the Commonwealth cannot be ascertained with absolute certainty at this time, and since the actual needs of each officer, cabinet, department, board, commission, institution, agency, or other activity or subdivisions of state government can only be anticipated and not finally determined by the General Assembly, and since the total amount of revenue accruing to the General Fund and to the Transportation Fund and accruing from various fees or from Federal funds from which appropriations are made can only be anticipated as being produced through existing laws and those that may hereafter be enacted, and recognizing the complex nature of the economy, it is the purpose and intention of this Act that the expenditures for each fiscal year shall not exceed the total financial resources accruing to any Fund, as defined in KRS Chapter 45, for the same fiscal year. As the conditions cannot be fully determined until after the adjournment of the 1982 General Assembly, and as the needs of each officer, cabinet, department, board, agency, commission, institution, subdivision, or activity of state government, together with the total financial resources accruing to the General Fund and the Transportation Fund cannot be fully determined at this time, it is the intention and purpose of this General Assembly that the Secretary of the Finance and Administration Cabinet, with the advice of the Commissioner of the Department of Revenue, upon approval of the Governor of the Commonwealth, is authorized, empowered, and directed to ascertain and determine the needs of each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity of state government and to ascertain the total financial resources anticipated to be accrued to the General Fund and the Transportation Fund of the Commonwealth, and upon the ascertainment and determination of said facts, he, the Secretary of the Finance and Administration Cabinet, in the manner set forth as provided by general law, and after obtaining the approval of the Legislative Research Commission or its designated body, is authorized, empowered, and directed by the General Assembly to prevent an overdraft or deficit in any fiscal year for which appropriations are herein made, by equitably reducing, according to needs, without discrimination, the appropriations herein made from the General Fund and Transportation Fund to each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity in state government, provided, however, that the power invested shall not permit any reduction of the appropriations of any officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity of state government that will actually impair the necessary constitutional functions of such agency or activity, the operations and functions of which are determined to be necessary constitutional functions of state government.

9. The Secretary of the Finance and Administration Cabinet shall cause the Office for Policy and Management, within forty-five days upon adjournment of the 1982 General Assembly, to prepare a final budget document based upon the Executive Budget as enacted by the 1982 General Assembly as well as other acts which provide appropriations for the 1982-84 biennium and based upon supporting documentation and legislative records as considered by the 1982 General Assembly. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and such other fiscal data and commentary considered necessary by the Office for Policy and Management for budget execution and oversight. The enacted budget and any adjustments thereto approved by the Office for Policy and Management and any supporting documents shall be communicated to the Interim Joint Appropriations and Revenue Committee on a regular basis.

10. It is the intent of the General Assembly that the Secretary of the Finance and Administration Cabinet shall be empowered and directed to transfer all funds appropriated to various agencies of state government in Part I of this Act for the operation and maintenance of the Kentucky Early Warning System (KEWS) to the Finance and Administration Cabinet to administer and manage the system.

11. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund.

12. Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $21,750,000 in fiscal year 1981-82, $42,750,000 in fiscal year 1982-83, and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

13. The General Assembly recognizes that during fiscal year 1980-81 and fiscal year 1981-82, the General Fund revenues of the Commonwealth were less than the estimates upon which appropriations for those fiscal years were made by Part I, Chapter 109, of the 1980 Acts of the General Assembly. The General Assembly acknowledges that as a result of shortfalls in the revenues during the biennium for which funds were appropriated by the 1980 General Assembly the Secretary of Finance as directed by Paragraph 8, Part VI, Chapter 109, of the 1980 Acts of the General Assembly and as authorized by KRS 45.160, took action to prevent an overdraft or deficit in the finances of the Commonwealth through the reduction of appropriations made by Part I, Chapter 109, of the 1980 Acts of the General Assembly, and by various other actions, all as set forth in and provided by Orders 81-151 and 82-96 of the Secretary of Finance, which Orders are permanent records of the Commonwealth, on file in the Office for Policy and Management.

It is the intent of the General Assembly herein to ratify and confirm the appropriation levels appearing in Orders 81-151 and 82-96 of the Secretary of Finance as the General Fund appropriations for fiscal year 1980-81 and fiscal year 1981-82, respectively, for the offices, boards, commissions, institutions, subdivisions and agencies of the Government of the Commonwealth of Kentucky, except so much thereof as relates to the appropriation to the Local Government Economic Assistance Fund for fiscal year 1981-82, which sum shall be determined as provided by KRS 45.450; it is the further intent of the General Assembly herein, the provisions of any other law of the Commonwealth to the contrary notwithstanding, to ratify and confirm the advances, transfers and lapsing to the General Fund of all non-General Fund monies as identified in said Orders 81-151 and 82-96 of the Secretary of Finance, and to that end, the General Assembly hereby expressly ratifies, adopts, and enacts the appropriation levels contained in said Orders 81-151 and 82-96, including those provided for the Foundation Program as set forth and contained in KRS Chapters 157 and 157A and in Chapter 109 of the 1980 Acts of the General Assembly, as the appropriations for the offices, boards, commissions, institutions, subdivisions, and agencies of the Government of the Commonwealth for fiscal year 1980-81 and fiscal year 1981-82, and to the extent in conflict therewith the appropriation levels set forth in Part I, Chapter 109 of the 1980 Acts of the General Assembly shall be read as conforming to the levels of appropriation hereby enacted.

14. There is hereby authorized in the Transportation Fund a bond fund authorization of up to $300,000,000 in the 1982-84 biennium for the constructing and rehabilitating of roads, along with the related costs, in the Kentucky primary road system, except that should the bonds authorized for fiscal year 1981-82 in an amount up to $150,000,000 be issued as provided in House Bill 931 of the 1980 Regular Session of the General Assembly, the bond fund authorization contained herein shall be reduced by the amount of such issue. The related debt service payments or lease rental payments to the Kentucky Turnpike Authority, as appropriate, may be expended from funds appropriated to the Transportation Fund.

15. The Secretary of the Finance and Administration Cabinet is authorized to approve, upon the request of the Secretary of the Department for Human Resources, the transfer of up to twelve million dollars ($12,000,000) of any surplus funds from other Bureaus within the Department for Human Resources to the Bureau for Social Insurance, Medical Assistance program to help prevent a deficit in said program for fiscal year 1981-82. If, through effective management and without reducing programs or service levels, funds become available, then the Secretary may transfer such funds to other programs after obtaining the approval of the Secretary of Finance and of the Interim Joint Committee on Appropriations and Revenue. In the event this provision is held to be invalid then no such transfer can be made.

16. It is the intent of the General Assembly that each classified permanent full-time and permanent part-time employe, as defined in KRS 18.110, in the Executive Branch shall receive, at least, an annual five percent (5%) salary increment each fiscal year, in accordance with the employe's regular salary increment schedule.

17. There is appropriated from the General Fund, $19,500,000 for fiscal year 1982-83 and $48,000,000 for fiscal year 1983-84 for a Budget Reserve Trust Fund.

These funds are appropriated in the event actual General Fund receipts during the 1982-83 fiscal year or the 1983-84 fiscal year are not sufficient to meet the General Fund appropriation levels authorized in this Act. Allotments from the Budget Reserve Trust Fund may also be made to those appropriation units for which actual Federal Fund receipts are less than the Federal Fund receipts appropriated in this Act to the

1982-83 fiscal year of the 1983-84 fiscal year, due to reductions in the Federal budget. In addition, allotments from the Budget Reserve Trust Fund may also be made for expenditures deemed to be Necessary Government Expenses.

All allotments and expenditures from the Budget Reserve Trust Fund may be approved by the Governor of the Commonwealth upon the recommendation of the Secretary of the Finance and Administration Cabinet. No allotment or expenditure from the Budget Reserve Trust Fund may be made prior to the approval of such allotment or expenditure by the Interim Joint Committee on Appropriations and Revenue. Allotments or expenditures from the Budget Reserve Trust Fund may be made on an across the board basis, but other methods of allocation, based on the needs of the budget units as determined by the Governor, are also authorized by this Act. In no event, however, shall such allotment or expenditure to any budget unit result in a General Fund or Federal Fund expenditure level greater than any appropriation elsewhere in this Act.

18. In no event shall any agency of the executive branch expend any money for fiscal year 1982-83 for medical or hospitalization insurance until:

(1) Bids have been solicited and received for both:

(a) Medical and hospitalization insurance to be furnished by an insurance carrier, and

(b) Contract costs for the private administration of a state self-insurance program, and

(2) A summary of such bids has been furnished to the Interim Joint Committees on Appropriations and Revenue and State Government.

The Committee on Appropriations and Revenue reported **HB 51, HB 257** with Committee Amendments attached thereto, and **HB 475** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 2 to **HB 257** is as follows:

Amend printed copy of **HB 257,** page 1, line 18, by deleting the word "*estate*" and inserting in lieu thereof the following: *surviving parent(s), if any..*

Committee Substitute to **HB 475** is as follows:

HB 475, AN ACT relating to appropriations for the operations, maintenance, support and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the following sums to be used for the purposes of the Judicial Branch of the government of the Commonwealth of Kentucky including the Supreme Court, Court of Appeals, Circuit Court, District Court, the Administrative Office of the Courts, Pretrial Services, Judicial Boards and Commissions, the State Law Library, Judicial Retirement, and for services performed by the Circuit Clerk offices, including both circuit and district court support:

1. Court of Justice

a. To the Court of Justice, for Court Operation and Administration

1982-83	$ 46,399,500
1983-84	$ 49,219,600

The specific allocation of these funds shall be made by the Administrative Office of the Courts at the direction of the Chief Justice. $523,300 in fiscal year 1982-83 and $1,072,600 in fiscal year 1983-84 are included for an amendment to KRS 64.485 for the purpose of providing an annual salary increment to judges of the Court of Justice, effective July 1, 1982. The annual salary increment shall be set at a rate which includes the adjustment for the increase in the consumer price index, but in no event shall a judge receive an annual increase exceeding five percent (5%) of his salary in each of the next two fiscal years. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, the amount included shall be reduced accordingly. Upon notification of the secretary of finance, the annual salary of Circuit Clerks for fiscal years 1982-83 and 1983-84 shall be set at a rate which includes the adjustment for the increase in the consumer price index, but in no event shall a Circuit Clerk receive an annual increase exceeding five percent (5%) of his salary except as otherwise provided by the 1982 General Assembly.

b. To the Court of Justice, for the Local Facility Fund

1982-83	$ 6,640,400
1983-84	$ 7,499,100

The specific allocation of these funds shall be made by the Court of Justice in accordance with KRS 26A.090 to 26A.120. $80,000 in fiscal year 1982-83 and $200,000 in fiscal year 1983-84 are included for an amendment to KRS 26A.090 which shall apply toward reimbursements for the use of new or improved court facilities which are financed at an interest rate of seven percent (7%) or greater. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Chief Justice, the amount included shall be reduced accordingly. Notwithstanding the provision in KRS 26A.090, no county shall receive less than the equivalent of one dollar ($1) per net square foot as capital reimbursement for the use of local court facilities by the Court of Justice in fiscal year 1982-83 and fiscal year 1983-84.

Total - Court of Justice

1982-83	$ 53,039,900
1983-84	$ 56,718,700

2. Judicial Form Retirement System

To the Board of Trustees of the Judicial Form Retirement System, for Funding and Operation of the Judicial Retirement Plan

1982-83	$ 2,367,300
1983-84	$ 2,374,600

Of these funds, $131,300 in fiscal year 1982-83 and $131,300 in fiscal year 1983-84 are included for amendments to KRS Chapter 21 to provide for post-retirement cost-of-living adjustments in benefits. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Judicial Retirement Board, the amount included shall be reduced accordingly.

TOTAL - JUDICIAL BRANCH

1982-83	$ 55,407,200
1983-84	$ 59,093,300

PART II
TRUST AND AGENCY FUNDS

There is hereby appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, all receipts of the Court of Justice not otherwise disposed by law, and any unexpended balance remaining in the Court of Justice's existing Trust and Agency accounts at the close of the fiscal years ending June 30, 1982 and June 30, 1983.

In the event the Court of Justice receives receipts in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such trust and revolving or agency funds receipts for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains such variations from the anticipated amount.

Court of Justice

1982-83	$ 300
1983-84	$ 300

PART III
FEDERAL FUNDS

There is appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, Federal subvention, grants, contracts and other Federal funds received, income from investment and other miscellaneous Federal receipts received by the Court of Justice except as otherwise specifically provided, for the use and benefit of the Court of Justice for the purposes for which its fund is authorized, and any unexpended balance remaining in the Court of Justice's existing Federal accounts at the close of fiscal years ending June 30, 1982 and June 30, 1983. All funds received shall be deposited in the state treasury and credited to the proper federal fund account as provided by law.

In the event the Court of Justice receives monies in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such federal funds for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year with an accompanying statement which explains such variations from the anticipated amount.

Court of Justice

1982-83	$ 187,700
1983-84	$ 100

PART IV
GENERAL PROVISIONS

1. The Director of the Administrative Office of the Courts with the approval of the Chief Justice may expend any of the funds appropriated for Court Operation and Administration in any lawful manner and for any legal purpose which the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the Judicial Branch of government.
2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the Courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.
3. The Court of Justice shall not incur any obligation for any program against the General Fund appropriations contained herein unless such program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by appropriate work papers and other records pertaining thereto.
4. The Chief Justice shall cause the Director of the Administrative Office of the Courts to prepare a final budget document reflecting the 1982-84 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Department of Finance within forty-five (45) days of the adjournment of the 1982 Session of the General Assembly.

The Committee on Appropriations and Revenue reported HB 515 with Committee Substitute and Committee Amendment attached thereto, HB 643 with Committee Substitute attached thereto, and HB 811 with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 515, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.460 is amended to read as follows:

(1) On and after July 1, 1972 a tax levied upon its retail price at the rate of five percent (5%) shall be paid on the use in this state of every motor vehicle, except those exempted by KRS 138.470, at the time and in the manner provided in this section. In the case of trucks of gross weight in excess of ten thousand pounds (10,000 lbs.) the tax shall be levied upon ninety percent of the retail price of the vehicle.

(2) The tax shall be collected by the county clerk or other officer with whom the vehicle is required to be registered:

(a) When he collects the registration fee for registering and licensing a motor vehicle the first time it is offered for registration in this state,

(b) Or upon the transfer of ownership of any motor vehicle previously registered in this state.

(3) The tax collected by the county clerk under this section shall be reported and remitted to the department of revenue on forms provided by the department and on such forms as the department may prescribe. The county clerk shall for his services in collecting the tax be entitled to retain an amount equal to two and one-half percent of the tax collected and accounted for.

(4) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, or transfer the ownership of any motor vehicle previously registered in this state, unless the owner or his agent pays the tax levied under this section in addition to the transfer, registration and license fees.

(5) When a resident of this state offers a motor vehicle for registration for the first time in this state [~~which was registered in another state that levied a tax substantially identical to the tax levied under this section~~], such person shall be entitled to receive a credit against the tax imposed by this section equal to the amount of *a substantially identical* tax *previously* paid to *another* [~~the other~~] state. [~~No credit shall be given under this subsection for taxes paid in another state if that state does not grant similar credit for substantially identical taxes paid in this state.~~]

(6) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, unless the seller or his agent delivers to the county clerk or other officer a certified or photostat copy of the manufacturer's price label for passenger cars or a certified or photostat copy of the itemized billing to the customer in the case of all other motor vehicles; and the clerk shall attach the certified or photostat copy to the copy of the certificate of registration and ownership mailed to the department.

(7) Notwithstanding the provisions of KRS 138.450(3), in no case shall the tax be less than five dollars ($5.00) upon first registration of or any transfer of ownership of a motor vehicle in this state, except where such vehicle is exempt from tax under KRS 138.470.

(8) Where a new motor vehicle is sold by a dealer in this state and the original purchaser returns the vehicle for any reason to the same dealer within sixty (60) days for a new vehicle replacement or a refund of the purchase price, the purchaser shall be entitled to a refund of the amount of usage tax received by the department of revenue as a result of the registration of the returned vehicle. The registration of the returned vehicle shall be cancelled and the vehicle shall be considered to have not been previously registered in Kentucky when resold by the dealer.

(9) When a manufacturer refunds the retail purchase price or replaces a new motor vehicle for the original purchaser within ninety (90) days because of malfunction or defect, the purchaser shall be entitled to a refund of the amount of motor vehicle usage tax received by the department of revenue as a result of the first registration. No person shall be entitled to a refund unless he shall have filed with the department of revenue an affidavit from the manufacturer identifying the vehicle that was replaced and stating the date of replacement.

Section 2. KRS 138.463 is amended to read as follows:

(1) On and after January 1, 1973, a holder of a certificate as required under KRS 281.615 to operate as a U-Drive-It as defined in KRS 281.014 may pay the usage tax as provided in KRS 138.460 or may pay a usage tax of five per cent (5%) levied upon the amount of the gross rental or lease charges paid by a customer or lessee renting or leasing a motor vehicle from such holder of the certificate.

(2) In the event the holder of such certificate elects to pay the usage tax by the alternate method as provided in subsection (1), he shall present his certificate to the county clerk at the time the motor vehicle is offered for registration in Kentucky and the following provisions shall be applicable.

(3) The tax shall be the direct obligation of the holder of the certificate but it may be charged to and collected from the customer in addition to the rental or lease charges. The tax due shall be remitted to the Department of Revenue each month on forms and pursuant to regulations promulgated by the department.

(4) Failure of the holder of the certificate to remit the taxes applicable to the rental and leasing charges as provided herein shall be sufficient cause for the bureau of vehicle regulation to void the certificate issued to such holder and the usage tax on each of the motor vehicles which had been registered by the holder under the certificate shall be due and payable on the retail price of each such motor vehicle when it was first purchased by the holder.

(5) (a) If the holder of the certificate fails or refuses to file a return or furnish any information requested in writing by the department, the department may make an estimate of the tax liability under this chapter from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of ten percent (10%) of the tax assessed. This penalty shall be in addition to all other applicable penalties in this section.

(b) If the holder of the certificate fails to make and file a return required by KRS 138.463(3) on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10.00).

(c) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other applicable penalties provided in this section shall apply.

(d) If a holder of the certificate fails to pay the tax imposed by KRS 138.460 within the time prescribed, unless it is shown to the satisfaction of the department that the failure was due to reasonable cause,

the department may assess a penalty of ten percent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10.00).

(6) (a) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed within four (4) years from the date the return was filed, except as provided in subsection (d) of this section, and except that in the case of a failure to file a return or of a fraudulent return, the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(b) For the purpose of subsections (a) and (d) of this section, a return filed before the last day prescribed by regulation for the filing thereof shall be considered as filed on such last day.

(c) Any final ruling, order or determination of the department with regard to the administration of this chapter may be reviewed only in the manner provided for in KRS 131.110 and 131.310 to 131.370.

(d) Notwithstanding the four (4) year time limitation of paragraph (a) of this subsection, in the case of a return where the taxpayer understates the gross value by twenty-five percent (25%) or more, the excess shall be assessed by the department within six (6) years from the date the return was filed.

(7) (a) Every holder of the certificate liable for the reporting or payment of the taxes levied by KRS 138.460 shall keep such records, receipts, invoices and other pertinent papers in such form as the department may require.

(b) Every such certificate holder shall keep such records for not less than six (6) years from the making of such records unless the department in writing sooner authorizes their destruction.

Section 3. KRS 138.230 is amended to read as follows:

(1) Every dealer *or transporter* receiving gasoline in this state shall keep, and preserve [~~for two (2) years,~~] an accurate record of all receipts and of all production, refining, manufacture, compounding, use, sale, distribution and delivery of gasoline, together with invoices, bills of lading and other pertinent records and papers required by the department of revenue. Every person purchasing gasoline from a dealer for resale shall keep, and preserve for a period of one (1) year, a record of all such gasoline so purchased and sold or used, and the amount of tax paid to the dealers as part of the purchase price, together with delivery tickets, invoices, bills of lading and such other records as the department shall require.

(2) Every such dealer or transporter required to file returns under KRS 138.210 to KRS 138.500 shall keep such records for not less than six (6) years from the making of such records unless the department in writing sooner authorizes their destruction. If requested, these records shall be made available for examination by the department.

(3) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(4) In the case of a return required by KRS 138.210 through KRS 138.445 where the tax computed by the department is greater than twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed, provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time.

Section 4. KRS 138.290 is amended to read as follows:

(1) If any dealer *or transporter fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided; however, that in no case shall the penalty be less than ten dollars ($10.00). In every case, any tax not paid on or before the due date shall bear interest at the rate of twelve percent (12%) per annum from the date due until the date of payment. In addition, such delinquent may be compelled to make the required report or return* [~~neglects or refuses to make the return required by KRS 138.240 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at six per cent (6%) per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060~~].

(2) If any taxpayer *fails to pay the tax imposed by KRS 138.210 to KRS 138.500 within the time prescribed, unless it is shown to the satisfaction of the department that the failure was due to reasonable cause, the department may assess a penalty of ten percent (10%) of the tax due; provided, however, that*

in no case shall the penalty be less than ten dollars ($10.00) [~~subject to the penalty provided in subsection (1) of this section submits in writing to the department, his reasons for failure to comply with KRS 138.240, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided that the department may reduce or waive the penalty when in the sole discretion of the department the exaction of the penalties provided above would be inequitable or unjust~~].

(3) *If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this chapter shall apply* [~~Any dealer or transporter who fails to make any report or return required under KRS 138.240 or KRS 138.260 within the time required shall pay a penalty of ten dollars ($10.00) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 138.210 to KRS 138.340 inclusive or in a civil action, at the instance of the department. In addition such delinquent may be compelled to make the required report or return~~].

SECTION 5. A NEW SECTION OF KRS CHAPTER 138.560 THROUGH KRS 138.662 IS CREATED TO READ AS FOLLOWS:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(2) In the case of a return required in KRS 138.560 through KRS 138.662 where the tax computed by the department is greater by twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed, provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time.

Section 6. KRS 138.585 is amended to read as follows:

(1) Every special fuels dealer licensee shall maintain complete *and accurate* records of inventories, purchases, sales, use and other dispositions of special fuels[~~. Such records,~~] together with manifests of lading, invoices, correspondence and other papers pertaining to special fuels [~~shall be retained for a minimum period of two (2) years, and, if requested by the department, shall be made available for examination by the department~~].

(2) Every such dealer required to file returns under KRS 138.560 to KRS 138.992 shall keep such records for not less than six (6) years from the making of such records unless the department in writing sooner authorizes their destruction. If requested, these records shall be made available for examination by the department.

Section 7. KRS 138.625 is amended to read as follows:

(1) If any *dealer fails to make and file a return required by KRS 138.560 through KRS 138.992 on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10.00). In every case, any tax not paid on or before the due date shall bear interest at the rate of twelve percent (12%) per annum from the date due until the date of payment. In addition, such delinquent may be compelled to make the required report or return* [~~special fuels dealer neglects or refuses to make the return required by KRS 138.590 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at six per cent (6%) per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060~~].

(2) If any taxpayer *fails to pay the tax imposed by KRS 138.560 through KRS 138.992 within the time prescribed, unless it is shown to the satisfaction of the department that the failure was due to reasonable cause, the department may assess a penalty of ten percent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10.00)* [~~subject to the penalty provided in subsection (1) of this section submits in writing to the department, his reasons for failure to comply with KRS 138.590, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided the five per cent (5%) penalty may be reduced to a one per cent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months~~].

(3) *If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to*

the deficiency and other penalties provided in this chapter shall apply [~~Any special fuels dealer who fails to make any return required under KRS 138.590 within the time required shall pay a penalty of ten dollars ($10.00) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 138.560 to 138.640 inclusive or in a civil action initiated by the department. In addition such delinquent taxpayer may be compelled to make the required report or return~~].

Section 8. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means *department of revenue* [~~bureau of vehicle regulation~~];

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any truck or tractor-trailer combination having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;

(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane;

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the state of Kentucky;

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

Section 9. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the *department* [~~bureau~~] may issue a trip permit for each motor vehicle for a fee of ten dollars ($10.00) for each permit.

(2) Application for a license or trip permit shall be made to the *department* [~~bureau~~] and shall contain such information as the *department* [~~bureau~~] deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the *department* [~~bureau~~] a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the *department* [~~bureau~~] shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the *department* [~~bureau~~], or if the *department* [~~bureau~~] is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the *department* [~~bureau~~] may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The *department* [~~bureau~~] shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the *department* [~~bureau~~].

Section 10. KRS 138.670 is amended to read as follows:

(1) Every motor carrier and heavy equipment motor carrier shall file with the *department* [~~bureau~~] a corporate bond, cash bond or securities approved by the *department* [~~bureau~~] in the minimum amount of one thousand dollars ($1,000) and in a maximum amount of four (4) months' liability for taxes imposed under KRS 138.655 to 138.725 but not to exceed fifty thousand dollars ($50,000). The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the *department* [~~bureau~~] of all taxes levied under KRS 138.655 to 138.725, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of KRS 138.655 to 138.725.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the *department* [~~bureau~~] any surety has become unsatisfactory or unacceptable, the *department* [~~bureau~~] may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the *department* [~~bureau~~] shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the *department* [~~bureau~~] shall cancel the bond for which the new bond is substituted.

(3) If, upon hearing of which the licensee shall be given ten (10) days' notice in writing, the *department* [~~bureau~~] decides that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax, penalties and interest for which the licensee is or may become liable, the licensee shall forthwith, upon written demand of the *department* [~~bureau~~], file an additional bond in the same manner and form with surety thereon approved by the *department* [~~bureau~~], in any amount determined by the *department* [~~bureau~~] to be necessary, failing which the *department* [~~bureau~~] shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty (60) days from the date upon which the surety has lodged with the *department* [~~bureau~~], a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The *department* [~~bureau~~] shall promptly, on receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty (60) day period, file with the *department* [~~bureau~~] a new bond with surety satisfactory to the *department* [~~bureau~~] in the amount and form hereinbefore provided, the *department* [~~bureau~~] shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the *department* [~~bureau~~] shall cancel the bond for which the new bond is substituted.

Section 11. KRS 138.675 is amended to read as follows:

(1) If a licensee at any time files a false quarterly report of the information required or fails or refuses to file the quarterly report or to pay the full amount of the tax or violates any other provisions of KRS 138.655 to 138.725, inclusive, without a showing that such failure was due to reasonable cause, the *department* [~~bureau~~] may cancel his license.

(2) Upon voluntary surrender of the license certificate or upon receipt of a written request by a licensee, the *department* [~~bureau~~] may cancel his license, effective sixty (60) days from the date of the request, but no such license shall be canceled upon surrender or request unless the licensee has, prior to the date of cancellation, paid to this state all taxes, penalties, interest and fines that are due or have accrued, and unless the licensee has surrendered to the *department* [~~bureau~~] his license certificate.

(3) If upon investigation the *department* [~~bureau~~] ascertains that any motor carrier or heavy equipment motor carrier to whom a license has been issued is no longer engaged as such and has not been so

engaged for a period of six (6) months, the *department* [~~bureau~~] may cancel such license by giving the motor carrier or heavy equipment motor carrier sixty (60) days' notice of cancellation mailed to his last known address in which event the license certificate shall be surrendered to the *department* [~~bureau~~].

(4) Whenever a licensee ceases to engage in business within this state, he shall notify the *department* [~~bureau~~] in writing within fifteen (15) days after discontinuance. All taxes that have accrued under KRS 138.655 to 138.725, inclusive, whether or not then due, shall become due and payable concurrently with such discontinuance. The licensee shall make a report and pay all such taxes and any interest and penalties thereon, and shall surrender to the *department* [~~bureau~~] his license certificate.

(5) If the license of a motor carrier or heavy equipment motor carrier is canceled by the *department* [~~bureau~~] as provided in this section and if the licensee has paid to this state all of the taxes, interest and penalties due under KRS 138.655 to 138.725 and 138.990 (17) and (18), the *department* [~~bureau~~] shall cancel the bond filed by the licensee.

Section 12. KRS 138.680 is amended to read as follows:

Every licensee shall maintain complete records on all motor vehicles, by type, operating on Kentucky highways, weight and number of axles, mileage records and records of all purchases, use, and other dispositions of gasoline and special fuels. Such records, together with manifests of lading, invoices and other papers pertaining to gasoline or special fuels consumption, shall be retained for a minimum period of *six (6)* [~~two (2)~~] years; and if requested by the *department* [~~bureau~~] shall be made available for examination by the *department* [~~bureau~~].

Section 13. KRS 138.685 is amended to read as follows:

(1) Every licensee shall file with the *department* [~~bureau~~], on forms prescribed by the *department* [~~bureau~~], a quarterly tax return. The return shall be made under penalty of perjury and shall show such information as the *department* [~~bureau~~] may require. The licensee shall file the return on or before the last day of the next succeeding calendar month following the quarterly period to which it relates.

(2) The quarterly tax return shall be accompanied by a remittance covering the tax due.

Section 14. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1) and (2) of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline and special fuels purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220 and KRS 138.565 has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the *department* [~~bureau~~] shall be furnished by each such licensee claiming the credit herein allowed.

(2) The *department* [~~bureau~~] shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the *department* [~~bureau~~] during such quarter, which credits shall be except as provided in subsection (3) *of this section*, applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) *of this section* would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the *department* [~~bureau~~] within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) *of this section* except a credit shall not be refunded to the licensee, where, as estimated by the *department* [~~bureau~~], the cost to the *department* [~~bureau~~] of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the *department* [~~bureau~~] shall prescribe what records must be kept by the licensee or any other person and the *department* [~~bureau~~] shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 15. KRS 138.705 is amended to read as follows:

(1) The *department* [~~bureau~~] may audit the books and records of each licensee who has at any time since the last audit was made applied for a credit or refund thereunder and make such other investigations as it deems necessary to determine whether the credits or refunds applied for constitute proper claims.

(2) If gasoline or special fuels taxes are erroneously credited or refunded, the *department* [~~bureau~~] shall advise the licensee of the erroneous credit or refund. If the licensee fails to reimburse the Commonwealth within fifteen (15) days after the receipt of notice, an action may be instituted by the *department* [~~bureau~~] in the Franklin Circuit Court and the *department* [~~bureau~~] shall recover from the licensee the amount of the erroneous credit or refund plus a penalty of twenty per cent (20%).

Section 16. KRS 138.715 is amended to read as follows:

(1) If any licensee neglects or refuses to make the return or pay the tax at the time provided in KRS 138.685, a penalty of *five percent (5%) of the tax found to be due for each thirty (30) days or portion thereof elapsing between the due date of the return and the filing of the return, with a maximum penalty of twenty-five percent (25%),* [~~twenty percent (20%) of the tax~~] and interest at *twelve percent (12%)* [~~six percent (6%)~~]

per annum from the date when due shall be paid on the tax. *In no case shall the penalty be less than ten dollars ($10.00).*

(2) *In addition to the interest and penalty provided in subsection (1) of this section, the licensee shall pay as penalty an additional ten percent (10%) on any delinquent tax pursuant to KRS 138.655 to 138.725, except that the licensee may submit in writing the reasons for being late to the department and if the showing constitutes reasonable cause the penalty may be withdrawn* [~~If any licensee subject to the penalty provided in subsection (1) of this section submits to the bureau in writing the reasons for failure to comply with KRS 138.655 to 138.725 and if the bureau finds the reasons sufficient evidence or justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty enacted therein to five percent (5%) of the amount of the tax due and delinquent, provided the five percent (5%) penalty may be reduced to one percent (1%) if the violation is the first violation by the taxpayer within the twelve (12) months~~].

(3) If the penalties provided by this section are collected by proceedings in court, an additional penalty of twenty percent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060. Whenever any licensee neglects or refuses to make and file any report for any calendar quarter as required by KRS 138.685, or files an incorrect or fraudulent report, the *department* [~~bureau~~] shall determine after an investigation the amount of the liability which the licensee has incurred under KRS 138.655 to 138.725 for any particular quarter and assess and collect the amount of tax and penalties due.

(4) Any licensee who fails to make any report required under the provisions of KRS 138.655 to 138.725 within the time allowed may be required to pay a penalty of fifty dollars ($50) to be assessed and collected in the manner provided for the assessment and collection of taxes, or may be proceeded against in a civil action instigated by the *department* [~~bureau~~]. In addition, such licensee may be compelled to make the required return.

(5) In any action for the collection of taxes due under KRS 138.655 to 138.725 and any penalties or interest imposed in connection therewith, an assessment by the *department* [~~bureau~~] of the amount of tax due and the interest or penalties due to the state shall constitute prima facie evidence of the claim of the state and the burden of proof shall be on the licensee to show that the assessment was incorrect or contrary to law.

Section 17. KRS 138.725 is amended to read as follows:

(1) The *department of revenue* [~~bureau of vehicle regulation~~] shall administer the provisions of KRS 138.655 to 138.725 and 138.990, and may prescribe, adopt and enforce regulations relating to the administration and enforcement thereof.

(2) The *department of revenue* [~~bureau of vehicle regulation~~] shall, upon the request of the officials to whom are entrusted the enforcement of the gasoline and special fuels tax law of any other state, the United States, or the provinces of the Dominion of Canada, forward to such officials any information which it shall have relative to the receipt, sale, use, transportation, shipment or delivery by any person of gasoline and special fuels provided such state or states makes provision in its law for the furnishing of like information to this state.

Section 18. KRS 138.727 is amended to read as follows:

(1) Nothing in KRS 186.655 to 186.725 shall deny the right of the department of revenue to make audits of a taxpayer's records and accounts, even though the same taxpayer may be or should be a motor carrier and subject to investigation by the bureau of vehicle regulation.

(2) [~~The bureau of vehicle regulation shall, upon request of the department of revenue, furnish the department of revenue any information which it may have in its records with regard to the administration of KRS 138.655 to 138.725.~~

~~(3)~~] The *department of revenue* [~~bureau of vehicle regulation~~] shall not make any refunds to any person or company without *first determining if* [~~inquiring of the department of revenue as to~~] the person or company *is* [~~being~~] indebted to the Commonwealth of Kentucky by reason of any tax liability, and no refunds shall be made if such person or company is indebted in any fashion to the Commonwealth of Kentucky.

Section 19. KRS 138.729 is amended to read as follows:

Any final ruling of the *department of revenue* [~~bureau of vehicle regulation~~] with regard to the administration of KRS 138.655 to 138.725 *may* [~~shall~~] be appealed to the Kentucky board of tax appeals.

SECTION 20. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

An assessment, pursuant to this chapter, may be made within four (4) years from the date the return was filed except:

(1) An assessment may be made at any time within six (6) years from the date the return was filed if an omission from or understatement of the tax liability in excess of twenty-five percent (25%) is found; and

(2) An assessment may be made at any time in the case of failure to file a return or the filing of a fraudulent return.

Section 21. KRS 234.360 is amended to read as follows:

(1) Every liquefied petroleum gas motor fuel dealer licensee shall maintain complete *and accurate* records of inventories, purchases, sales, use and other dispositions of liquefied petroleum gas[~~. Such records,~~] together with manifests of lading, invoices, correspondence, and other papers pertaining to liquefied petroleum gas motor fuel [~~shall be retained for a minimum of two (2) years, and if requested by the department, shall be made available for examination by the department~~].

(2) Where storage of liquefied petroleum gas is for multiple uses, and where the number of gallons taxable of liquefied petroleum gas motor fuel is determined by the liquefied petroleum gas motor fuel dealer and/or the liquefied petroleum gas motor fuel user-seller, based on the best estimate possible from mileage and efficiency records available, all mileage and efficiency records of such motor vehicle must be retained for a minimum period of *six (6)* [~~two (2)~~] years, and, if requested by the department, shall be made available for examination by the department.

(3) Every liquefied petroleum gas dealer who files the returns required under this chapter shall keep such records for not less than six (6) years from the making of such records unless the department in writing sooner authorizes their destruction. If requested, these records shall be made available for examination by the department.

Section 22. KRS 234.420 is amended to read as follows:

(1) If any liquefied petroleum gas motor fuel dealer *fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10.00). In every case, any tax not paid on or before the due date shall bear interest at the rate of the twelve percent (12%) per annum from the date due until the date of payment. In addition, such delinquent may be compelled to make the required report or return.* [~~neglects or refuses to make the return required by KRS 234.370 or to pay the tax at the time provided, a penalty of twenty per cent (20%) thereof and interest at six per cent (6%) per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty per cent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.~~]

(2) If any taxpayer *fails to pay the tax imposed by this chapter within the time prescribed, unless it is shown to the satisfaction of the department that the failure was due to reasonable cause, the department may assess a penalty of ten pecent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10.00).* [~~subject to the penalty provided in subsection (1) of this section submits in writing to the department his reasons for failure to comply with KRS 234.370, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five per cent (5%) of the amount of the tax due and delinquent, provided the five per cent (5%) penalty may be reduced to a one per cent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months.~~]

(3) *If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this chapter shall apply.* [~~Any liquefied petroleum gas motor fuel dealer who fails to make any return required under KRS 234.370 within the time required shall pay a penalty of ten dollars ($10.00) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 234.310 to 234.440 or in a civil action initiated by the department. In addition such delinquent taxpayer may be compelled to make the required report or return.~~]

SECTION 23. A NEW SECTION OF KRS CHAPTER 234 IS CREATED TO READ AS FOLLOWS:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(2) In the case of a return where the tax computed by the department is greater by twenty-five percent (25%) or more than the amount return by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed, provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time.

Section 24. KRS 139.495 is amended to read as follows:

The taxes imposed by this chapter shall apply to resident, nonprofit educational, charitable, and religious institutions which have qualified for exemption from income taxation under section 501(c)(3) of the internal revenue code *as defined in KRS 141.010(3)* as follows:

(1) Tax does not apply to sales of tangible personal property or services to such institutions provided the property or service is to be used solely within the educational, charitable, or religious function.

(2) Tax does not apply to sales *by nonprofit educational and charitable institutions* [~~of food to students in school cafeterias or lunchrooms~~].

(3) [~~Tax does not apply to sales by school bookstores of textbooks, workbooks, and other course materials.~~

~~(4)~~] Tax does not apply to sales by nonprofit, school sponsored clubs and organizations, provided such sales do not include tickets for athletic events.

(4)[~~(5)~~] All [~~other~~] sales made by nonprofit [~~educational, charitable, and~~] religious institutions are taxable and the tax may be passed on to the customer as provided in KRS 139.210.

Section 25. KRS 139.720 is amended to read as follows:

(1) Every seller, every retailer, and every person storing, using and otherwise consuming in this state tangible personal property purchased from a retailer shall keep such records, receipts, invoices, and other pertinent papers in such form as the department may require.

(2) Every such seller, retailer, or person who files the returns required under this chapter shall keep such records for not less than *six (6)* [~~four (4)~~] years from the making of such records unless the department in writing sooner authorizes their destruction.

Section 26. KRS 139.480 is amended to read as follows:

Any other provision of this chapter to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this chapter do not include the sale, use, storage, or other consumption of:

(1) Locomotives or rolling stock, including materials for the construction, repair, or modification thereof, or fuel or supplies for the direct operation of locomotives and trains, used or to be used in interstate commerce;

(2) Coal for the manufacture of electricity;

(3) All energy or energy-producing fuels used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three percent (3%) of the cost of production. Cost of production shall be computed on the basis of plant facilities which shall mean all permanent structures affixed to real property at one (1) location;

(4) Livestock of a kind the products of which ordinarily constitute food for human consumption provided the sales are made for breeding or dairy purposes and by or to a person regularly engaged in the business of farming;

(5) Poultry for use in breeding or egg production;

(6) Farm work stock for use in farming operations;

(7) Seeds, the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business, feed for livestock or poultry of a kind the products of which ordinarily constitute food for human consumption, and commercial fertilizer to be applied on land the products from which are to be used for food for human consumption or are to be sold in the regular course of business; Provided such sales are made to farmers who are regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or who are regularly engaged in the occupation of raising and feeding livestock or poultry or producing milk for sale; and provided further that such tangible personal property so sold is to be used only by those persons designated above who are so purchasing;

(8) Machinery for new and expanded industry;

(9) Farm machinery. As used in this section the term "farm machinery" means machinery used exclusively and directly in the occupation of tilling the soil for the production of crops as a business, or in the occupation of raising and feeding livestock or poultry or of producing milk for sale. The term "farm machinery" as used in this section includes machinery, attachments, and replacements therefor, repair parts, and replacement parts which are used or manufactured for use on, or in the operation of farm machinery and which are necessary to the operation of such machinery, and are customarily so used; but this exemption shall not include automobiles, trucks, trailers, and truck-trailer combinations;

(10) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(11) Tombstones and other memorial grave markers; and

(12) On-farm facilities used exclusively for grain or soybean storing, drying, processing, or handling. The exemption applies to the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of such facilities;

(13) Gasoline, special fuels, and liquefied petroleum gas used to operate or propel stationary engines or tractors for agricultural purposes. As used in this subsection:

(a) "Gasoline" is defined as in KRS 138.210(4);

(b) "Special fuels" is defined as in KRS 138.560(3);

(c) "Liquefied petroleum gas" is defined as in KRS 234.100(1); and

(d) "Agricultural purposes" is defined as in KRS 138.343(4);

(14) Textbooks, including related workbooks and other course materials, purchased for use in a course of study conducted by an institution which qualifies as a nonprofit educational institution under KRS 139.495. The term "course materials" means only those items specifically required of all students for a particular course but does not include notebooks, paper, pencils, calculators, tape recorders, or similar student aids;

(15) Any property which has been certified as an alcohol production facility as defined in KRS 247.910*; and*

(16) Aircraft, repair and replacement parts therefor, fuel and supplies for the direct operation of aircraft in interstate commerce and used exclusively for the conveyance of property for hire. Nominal intrastate use will not subject the property to the taxes imposed by this chapter.

Section 27. KRS 143.035 is amended to read as follows:

Notwithstanding any other provisions of this chapter to the contrary, where the department finds that it would facilitate and expedite the collection of the tax imposed by this chapter, the department may authorize the taxpayer processing the coal to report and pay the tax which would be due from the taxpayer severing the coal. Authorization from the department shall be in the form of an agreement executed by the taxpayer processing the coal, the taxpayer severing the coal and the department. The agreement shall be in such form as the department may prescribe. The agreement must be signed by the owners if the taxpayers are natural persons; in the case of a partnership or association by a partner or member; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application. The director of the [~~sales and severance tax~~] division *of legal services* shall sign for the department. The agreement may be terminated by any party to the agreement upon giving thirty (30) days written notice to the other parties to the agreement; however, the department may terminate the agreement immediately upon written notice to the other parties when either the taxpayer processing the coal or the taxpayer severing the coal fails to comply with the terms of the agreement.

Section 28. KRS 143A.010 is amended to read as follows:

(1) "Department" means the department of revenue.

(2) "Natural resource" means all forms of minerals including but not limited to rock, stone, limestone, shale, gravel, sand, clay, fluorspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state. For purposes of this chapter, "natural resource" does not include coal and oil which are taxed under KRS 143.020 and 137.120.

(3) "Severing" or "severed" means the physical removal of the natural resource from the earth or waters of this state by any means; however, "severing" or "severed" shall not include the removal of natural gas from underground storage facilities into which the natural gas has been mechanically injected following its initial removal from the earth.

(4) "Taxpayer" means and includes any individual, partnership, joint venture, association, corporation, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind engaged in the business of severing and/or processing natural resources in this state for sale or use. In instances where contracts, either oral or written, are entered into whereby persons, organizations or businesses are engaged in the business of severing and/or processing a natural resource but do not obtain title to or do not have an economic interest therein, the party who owns the natural resource or has an economic interest is the taxpayer.

(5) "Gross value" is synonymous with gross income from property as defined in section 613(c) of the Internal Revenue Code and regulations 1.613-3 and 1.613-4 in effect on December 31, 1977, with the exception that in all instances transportation expense (whether or not by common carrier) incurred in transporting a natural resource shall not be considered as gross income from the property. Gross value is to be reported as follows:

(a) For natural resources severed and/or processed and sold during a reporting period, gross value is the amount received or receivable by the taxpayer.

(b) For natural resources severed and/or processed, but not sold during a reporting period, gross value shall be determined as follows:

1. If the natural resource is to be sold under the terms of an existing contract, the contract price shall be used in computing gross value.

2. If there is no existing contract, the fair market value for that grade and quality of the natural resource shall be used in computing gross value.

(c) In a transaction involving related parties, gross value shall not be less than the fair market value for natural resources of similar grade and quality.

(d) In the absence of a sale, gross value shall be the fair market value for natural resources of similar grade and quality.

(e) If severed natural resources are purchased for the purpose of processing and resale, the gross value is the amount received or receivable during the reporting period reduced by the amount paid or payable to the taxpayer actually severing the natural resource.

(f) If severed natural resources are purchased for the purpose of processing and consumption, the gross value is the fair market value of processed natural resources of similar grade and quality reduced by the amount paid or payable to the taxpayer actually severing the natural resource.

(g) In all instances, the gross value shall not be reduced by any taxes including the tax levied in KRS 143A.020, royalties, sales commissions, or any other expense.

(6) "Processing" shall include *any treatment processes as defined in Section 613(c)(4)(B) through (I) and Section 613(c)(5) of the Internal Revenue Code in effect on December 31, 1977* [~~but not be limited to breaking, crushing, cleaning, drying, sizing, or loading for shipment~~]. "Processing" shall not include the act of unloading or loading for shipment natural resources that have not been severed, cleaned, broken, crushed, dried, sized, *ground, cooled, sorted, sintered, concentrated* or otherwise treated in Kentucky.

(7) "Related parties" means two (2) or more persons, organizations or businesses owned or controlled directly or indirectly by the same interests.

(8) "Economic interest" for the purpose of this chapter is synonymous with the economic interest ownership required by Internal Revenue Code, section 611 in effect on December 31, 1977, entitling the taxpayer to a depletion deduction for income tax purposes with the exception that a party who only receives an arm's length royalty *from the severing or processing of natural resources other than natural gas and natural gas liquids* shall not be considered as having an economic interest.

(9) "Charges for transporting" or "transportation expense" shall mean:

(a) The amount paid by a taxpayer to a third party for transporting to a customer natural resources taxed in KRS 143A.020;

(b) The cost incurred by a taxpayer using his own facilities in transporting to a customer natural resources taxed under KRS 143A.020;

(c) In no case shall transportation expenses include the cost of acquisition, improvements, or maintenance of real property or the cost of loading or unloading facilities.

Section 29. KRS 143A.060 is amended to read as follows:

Notwithstanding any other provisions of this chapter to the contrary:

(1) In the case of natural resources other than natural gas, where the department finds that it would facilitate and expedite the collection of the tax imposed under KRS 143A.020, the department may authorize the taxpayer processing the natural resource to report and pay the tax which would be due from the taxpayer severing the natural resource. Authorization from the department shall be in the form of an agreement executed by the taxpayer processing the natural resource, the taxpayer severing the natural resource and the department. The agreement shall be in such form as the department may prescribe. The agreement must be signed by the owners if the taxpayers are natural persons; in the case of a partnership or association by a partner or member; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application. The director of the [~~sales and severance tax~~] division *of legal services* shall sign for the department. The agreement may be terminated by any party to the agreement upon giving thirty (30) days' written notice to the other parties to the agreement; however, the department may terminate the agreement immediately upon written notice to the other parties when either the taxpayer processing the natural resource or the taxpayer severing the natural resource fails to comply with the terms of the agreement; and

(2) (a) In the case of natural gas, except for those cases:

1. Where the person severing or severing and processing the natural gas will sell the gas to the ultimate consumer, or

2. Where the department determines that the collection of the taxes due under KRS 143A.020 would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes,

the first person to purchase the natural gas after it has been severed, or in the event that the natural gas has been severed and processed before the first sale, the first person to purchase the natural gas after it has been severed and processed, shall be liable for the collection of the tax imposed under KRS 143A.020. He shall collect the taxes imposed from the person severing, or severing and processing, the natural gas, and he shall remit the taxes to the department. In those cases where the person severing or severing and processing the natural gas sells the gas to the ultimate consumer, the person so severing or severing and processing the natural gas shall be liable for the tax imposed under KRS 143A.020. In those cases where the department determines that the collection of the taxes due under KRS 143A.020 from the severance or severance and processing of natural gas would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes, the department shall set out its determination in writing, stating its reasons for so finding, and so advise the severor or severor and processor at least fifteen (15) days in advance of the first reporting period for which such action would be effective.

(b) On or before the last day of the month following each calendar month, each person first purchasing natural gas as described in (a) above, shall report purchases of natural gas during the month, showing the quantities of gas purchased, the price paid, the date of purchase, and any other information deemed necessary by the department for the administration of the tax levied by KRS 143A.020, and shall pay the amount of tax due, on forms prescribed by the department.

(c) On or before the last day of the month following each calendar month, each person severing, or severing and processing natural gas, shall report the sales of natural gas, showing the name and address of the person to whom sold, the quantity of gas sold, the date of sale, and the sales price on forms prescribed by the department.

Section 30. KRS 140.090 is amended to read as follows:

(1) In calculating the value of the distributive shares the following deductions and no others shall be allowed:

(a) Debts of the decedent, except debts secured by property not subject to the tax jurisdiction of Kentucky; and except debts barred by the statute of limitations;

(b) Taxes accrued and unpaid, except those on property not subject to the tax jurisdiction of Kentucky;

(c) Death duties paid to foreign countries;

(d) Federal estate taxes, in the proportion which the *adjusted gross estate* [~~net estate~~] in Kentucky subject to federal estate taxes bears to the total *adjusted gross estate* [~~net estate~~] everywhere subject to federal estate taxes; all calculations are subject to approval by the department of revenue;

(e) Drainage, street or other special assessments due and unpaid which are a lien on said property;

(f) Funeral, monument, and cemetery lot maintenance expenses actually paid not exceeding in total twenty-five hundred dollars ($2,500);

(g) Commission of executors and administrators in the amount actually allowed and paid;

(h) Cost of administration, including attorney's fees actually allowed and paid.

(2) Notwithstanding the provisions of KRS 404.040, the debts of a deceased wife, subject to the exception in subsection (1)(a) *of this section*, shall be allowed in calculating the distributive shares of her estate for purposes of this chapter, provided such debts are paid from the proceeds of her estate.

Section 31. KRS 140.130 is amended to read as follows:

(1) In addition to the inheritance tax hereinbefore imposed, an estate tax is hereby levied on all estates equal to the amount by which the credits for state death taxes allowable under the federal tax law exceeds the tax levied under KRS 140.010, less the discount allowed under KRS 140.210, if taken by the taxpayer. Said tax shall be payable at the same time and in the same manner as the inheritance taxes levied by this chapter.

(2) In the case of resident decedents and nonresident decedents over part of whose estates Kentucky has tax jurisdiction the estate tax shall be computed as follows:

(a) The ratio which that part of the *adjusted gross* [~~net~~] estate over which Kentucky has jurisdiction for estate tax purposes bears to the total *adjusted gross* [~~net~~] estate wherever located shall be ascertained.

(b) The total maximum offset for state succession taxes allowed under the provisions of the federal estate tax law shall be multiplied by the ascertained ratio to determine the offset allocable to this state.

(c) The estate tax levied by this section shall equal the amount, if any, by which the offset allocable to this state shall exceed the inheritance taxes under KRS 140.010, less the discount allowed under KRS 140.210, if taken by the taxpayer.

(3) All administrative provisions of this chapter, to the extent that they are applicable, shall be available for the enforcement of this section and KRS 140.140.

Section 32. KRS 140.222 is amended to read as follows:

(1) When the net tax due from a *Class A* beneficiary's distributive share exceeds five thousand dollars ($5,000), the beneficiary *or the personal representative if directed by the beneficiary* may elect to pay the inheritance tax in ten (10) equal installments *provided the beneficiary's distributable share does not consist of cash, marketable securities or other readily liquid assets in excess of twice the tax liability. When the will requires the tax to be paid from the residue of the estate, a beneficiary, in agreement with the personal representative of the estate, may make such election as provided in this section.* The first installment shall be due at the time the return is filed with succeeding payments due in annual installments beginning one (1) year after the return is filed.

(2) The portion of the tax deferred under this section shall be charged with interest at *twelve* [~~eight~~] percent *(12)%* [~~(8%)~~] percent per annum commencing eighteen (18) months after the date of death.

(3) When the beneficiary elects to pay the tax on his share as provided in this section, such election must be made in writing and signed by the beneficiary and must be filed with the department of revenue at the time of filing the tax return for the decedent's estate under KRS 140.160(2). The filing of the election together with payment of the first installment shall relieve the personal representative or trustee of the estate from further liability for the tax payments deferred under this section and the bond requirements of KRS 140.210, subject to the final approval by the department of revenue of all other taxes due under this chapter.

(4) A beneficiary electing to defer the payment of taxes under this section shall be personally liable for the amount of deferred taxes until paid.

(5) The period of limitations for actions to enforce the collection of taxes imposed by this chapter as provided by KRS 140.160(3) shall be suspended for the period of time for deferred payment granted by this section.

Section 33. KRS 140.300 is amended to read as follows:

As used in KRS 140.310 to 140.360 these words shall have the following meaning:

(1) "Agricultural land" means that real estate which is defined in KRS 132.010*(9)*[~~(7)~~].

(2) "Horticultural land" means that real estate which is defined in KRS 132.010*(10)*[~~(8)~~].

(3) "Agricultural or horticultural value" means the value as defined in KRS 132.010*(11)*[~~(9)~~].

(4) "Qualified real estate" means real property which:

(a) Is either horticultural or agricultural land;

(b) *Must have been owned and used by the decedent for agricultural or horticultural purposes for five (5) years prior to his death* [~~Has been used for agricultural or horticultural purposes for five (5) years prior to the death of the owner of the real estate or a joint owner thereof~~]; and

(c) Fair cash value *of the decedent's interest* exceeds fifty percent (50%) of the gross taxable estate of decedent for Kentucky inheritance tax purposes. *Gross taxable estate shall include agricultural and horticultural land at fair cash value.*

(5) "Qualified person" means the spouse of and/or the children (including adopted children) of and their spouses, if any, of a deceased owner of agricultural or horticultural land and is a person who proposes to devote the real property to agricultural or horticultural purposes for at least five (5) years after the death of the decedent in whose estate the agricultural or horticultural land is subject to assessment.

Section 34. KRS 140.350 is amended to read as follows:

(1) At such time as the department of revenue accepts the agricultural or horticultural value on qualified real estate comprising a portion of a decedent's estate and issues tax waivers thereon, it shall cause to be filed in the office of the county clerk of the county where the real estate or the greater portion thereof is located, on a form prescribed by the department of revenue, a lien which on its face shall expire in five (5) years and the lien shall secure the payment of any additional tax which may become due as the result of the qualified real estate being sold to others than qualified persons or the qualified real estate being converted to other than a qualified use.

(2) A qualified person may obtain a release of the lien by posting a bond with the department of revenue for the unexpired period of the five (5) year lien in the amount shown on the face of the lien plus twelve percent (12%) per annum interest.

(3) If additional taxes are due as the result of the real estate being transferred to other than a qualified person or its use is converted to other than agricultural or horticultural use, and the additional tax is not paid after assessment of the tax, within the time prescribed by the regulations of the department of revenue, then the department of revenue may proceed to enforce the lien in accordance with law.

Section 35. KRS 136.070 is amended to read as follows:

(1) Every corporation organized under the laws of this state, every corporation having its commercial domicile in this state, and every foreign corporation owning or leasing property located in this state or having one or more individuals receiving compensation in this state, except state and national banks and trust companies, savings and loan associations organized under the laws of this state and under the laws of the United States and making loans to members only, open-end registered investment companies organized under the laws of this state and registered under the investment company act of 1940, production credit associations, insurance companies, including farmers' or other mutual hail, cyclone, windstorm or fire insurance companies, insurers and reciprocal underwriters, public service companies subject to taxation under KRS 136.120, those corporations exempted by section 501 of the Internal Revenue Code *as defined in KRS 141.010(3)*, any property or facility which has been certified as an alcohol production facility as defined in KRS 247.910, and any other religious, educational, charitable or like corporations not organized or conducted for pecuniary profit, shall pay to the state an annual license tax of seventy cents (70¢) on each one thousand dollars ($1,000) of the capital employed in the business as computed under the provisions of subsections (2) and (3) of this section.

(2) (a) The term "capital" as used in this section means capital stock, surplus, advances by affiliated companies, intercompany accounts, borrowed monies or any other accounts representing additional capital used and employed in the business. Accounts properly defined as "capital" in this section shall be reported at the value reflected on financial statements prepared for book purposes as of the last day of the calendar or fiscal year.

(b) "Capital employed," in the case of corporations having property or payroll only in this state, means "capital" as defined above.

(c) "Capital employed," in the case of corporations having property or payroll both within and without this state means "capital" as defined above and as apportioned under subsection (3) of this section.

(d) Property means either real property or tangible personal property which is either owned or leased. Payroll means compensation, paid to one (1) or more individuals, as described in subsection (3) of this section. Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction.

(e) "Corporations" means "corporations" as defined in section 7701 (a)(3) of the Internal Revenue Code. "Internal Code" means "Internal Revenue Code" as defined in KRS 141.010(3).

(3) The total capital, as determined under subsection (2) of this section, shall be apportioned as follows:

(a) The total capital shall be multiplied by a fraction, the numerator of which is the property factor plus the payroll factor, plus the sales factor, and the denominator of which is three (3).

(b) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period; provided, however, that property which has been certified as a pollution control facility as defined in KRS 224.850 shall be excluded from the property factor.

1. Property owned by the taxpayer is valued at its original cost. If the original cost of any property is not determinable or is nominal or zero, such property shall be valued by the department under regulations promulgated by the department. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals, provided that such rental and such subrentals are reasonable. If the department determines that the annual rental or subrental rate is unreasonable, or if nominal or zero rate is charged, the department may determine and apply such rental rate as will reasonably reflect the value of the property rented by the taxpayer.

2. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the department may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

(c) The payroll factor is a fraction, the numerator of which is the total amount paid or payable in this state during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid or payable everywhere during the tax period. Compensation is paid or payable in this state if:

1. The individual's service is performed entirely within the state; or

2. The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

3. Some of the service is performed in the state and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(d) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period. Sales of tangible personal property are in this state if:

1. The property is delivered or shipped to a purchaser, other than the United States government, or to the designee of the purchaser within this state regardless of the f.o.b. point or other conditions of the sale;

2. The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the purchaser is the United States government; or

3. Sales, other than sales of tangible personal property, are in this state if the income-producing activity is performed in this state; or the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(4) If the apportionment provisions of this section do not fairly measure the taxpayer's capital in this state, the taxpayer may petition for or the department may require:

(a) The exclusion of any one (1) or more of the factors;

(b) The inclusion of one (1) or more additional factors which will fairly measure the taxpayer's capital in this state; or

(c) The employment of any other method to produce an equitable apportionment of the taxpayer's capital.

(5) No corporation required to pay an annual license tax under this section shall pay less than ten dollars ($10).

Section 36. KRS 136.076 is amended to read as follows:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the

excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and except that in the case of a failure to file a return, or of a fraudulent return, the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The *times* [~~time~~] provided in this section *and KRS 134.580(3)* may be extended by agreement between the taxpayer and the department.

(2) For the purpose of subsection (1) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

Section 37. KRS 136.090 is amended to read as follows:

(1) Corporations liable to taxation under KRS 136.070 shall file with the department of revenue each year, on forms prepared by the department, a written report, verified by *an affidavit executed by one (1) of the following officers of the corporation: the president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer, or chief accounting officer* [~~the affidavit of the president or secretary of the corporation~~]. This report shall give the name of the corporation; the name of the state or government under the laws of which it is incorporated; the date of incorporation; the place of its principal office in and out of this state; the name and address of its president and secretary; the name and address of its authorized agent or attorney upon whom process may be executed in this state; the name and address of the officer or agent in charge of its business in this state; and the nature and kind of business in which it is engaged.

(2) The report shall also give the total value of all the property owned and used by the corporation; the value of the property owned and used by it in this state; the aggregate amount of business transacted by it during the preceding calendar year or fiscal year; the amount of such business transacted in this state; and such other facts as the department requires.

Section 38. KRS 136.990 is amended to read as follows:

(1) Any county clerk who fails to comply with the provisions of subsection (2) of KRS 136.020 shall be fined not less than ten dollars ($10.00) nor more than twenty-five dollars ($25.00).

(2) Any corporation that fails to pay its taxes, penalty and interest as provided in subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty dollars ($50.00) for each day the same remains unpaid, to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

(3) Any public service corporation, or officer thereof, that willfully fails or refuses to make reports as required by KRS 136.130 and 136.140 shall be fined one thousand dollars ($1,000), and fifty dollars ($50.00) for each day the reports are not made after March 31 of each year.

(4) Any superintendent of schools or county clerk who fails to report as required by KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars ($50.00) nor more than one hundred dollars ($100) for each offense.

(5) Any company or association that fails or refuses to return the statement or pay the taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars ($1,000) for each offense.

(6) Any insurance company that fails or refuses for thirty (30) days to return the statement required by KRS 136.330 or 136.340, under the oath of some principal officer or general agent or manager of this state, and to pay the tax required by KRS 136.330 or 136.340, shall forfeit one hundred dollars ($100) for each offense. The commissioner of insurance shall revoke the authority of the company or its agents to do business in this state, and shall publish the revocation pursuant to KRS chapter 424.

(7) Any person who violates subsection (3) of KRS 136.390 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.

(8) Where no other penalty is mentioned for failing to do an act required, or for doing an act forbidden, by this chapter, the penalty shall be not less than ten dollars ($10.00) nor more than five hundred dollars ($500).

(9) The Franklin Circuit Court shall have jurisdiction of all prosecutions under subsections (5) to (7) of this section.

(10) If any taxpayer fails to make *and* [~~or~~] file a return as required by KRS 136.090 on or before the due date of the return *or the due date as extended by the department, or fails to pay the tax imposed by this chapter within the time prescribed,* then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five per cent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five per cent (25%) of the tax provided, however, that in no case shall a penalty be less than ten dollars ($10.00).

(11) If the tax imposed by KRS 136.070, whether assessed by the department or the taxpayer, or any instalment or portion of the tax, is not paid on or before the date prescribed for its payment, it shall be collected as a part of the tax, interest upon the nonpaid amount at the rate of eight per cent (8%) per annum from the date prescribed for its payment until payment is actually made to the department.

Section 39. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Commissioner" means the commissioner of revenue;

(2) "Department" means the department of revenue;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1979, exclusive of any amendments made subsequent to that date;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude income from supplemental annuities provided by the railroad retirement act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amount allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code and by Section 214 of the Internal Revenue Code as it existed on December 31, 1975 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(h);

(c) The deduction for personal exemptions allowed under section 151 of the Internal Revenue Code and any other deductions in lieu thereof;

(12) "Gross income," in the case of corporations, means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors under the provisions of section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of section 281 of the Internal Revenue Code in computing gross income;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus all the deductions from gross income allowed corporations by chapter 1 of the Internal Revenue Code, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the

Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in sections 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction *or expense* directly or indirectly *related to the acquisition, management or disposition of assets, which produce nonbusiness income or loss as defined in KRS 141.120 or income otherwise not taxed under the provisions of this chapter* [~~allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once~~];

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120; and

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(15) "Person" means "person" as defined in section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in section 3401(d) of the Internal Revenue Code;

(20) "Employe" means "employe" as defined in section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), and (q) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in section 7701(a)(3) of the Internal Revenue Code;

(25) "Electing small business corporations" means "electing small business corporations" as defined in Section 1371(b) of the Internal Revenue Code. Stockholders of a corporation qualifying after December 31, 1979 as "electing small business corporations" under Chapter 141 may elect to treat such qualification as an initial qualification under Internal Revenue Code Sections 1371-1378.

Section 40. KRS 141.081 is amended to read as follows:

(1) An individual, at his election, may deduct from his adjusted gross income a standard deduction of six hundred and fifty dollars ($650).

(2) The standard deduction provided for in this section shall be in lieu of all deductions and shall not be allowed in the case of a taxable year of less than twelve (12) months on account of a change in the accounting period or in the case of a fiduciary.

(3) In the case of a husband and wife living together, the standard deduction provided for in this section shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction. The determination of marital status shall be made in the manner prescribed in section *143* [~~153~~] of the Internal Revenue Code.

Section 41. KRS 140.152 is amended to read as follows:

The provisions of KRS 140.070 *and* [~~,~~] 140.080 [~~and 140.151~~] shall apply when death occurs on or after July 1, 1978.

Section 42. KRS 224.970 is amended to read as follows:

KRS 224.905 to *224.950* [~~224.965~~] shall be known as the resource conservation, recovery and beautification act.

Section 43. The following KRS sections are repealed:

140.151 Payment of taxes on farms or other closely held businesses.
224.955 Anti-litter assessment against seller of covered item — "Seller" and "covered item" defined.
224.960 Penalty assessments.
224.965 Resource conservation recovery and beautification fund.

Section 44. The provisions of Sections 35 through 40 of this Act shall apply to taxable years beginning after December 31, 1981.

Committee Substitute to **HB 515** is as follows:

HB 515, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.460 is amended to read as follows:

(1) On and after July 1, 1972 a tax levied upon its retail price at the rate of five percent (5%) shall be paid on the use in this state of every motor vehicle, except those exempted by KRS 138.470, at the time and in the manner provided in this section. In the case of trucks of gross weight in excess of ten thousand pounds (10,000 lbs.) the tax shall be levied upon ninety percent of the retail price of the vehicle.

(2) The tax shall be collected by the county clerk or other officer with whom the vehicle is required to be registered:

(a) When he collects the registration fee for registering and licensing a motor vehicle the first time it is offered for registration in this state,

(b) Or upon the transfer of ownership of any motor vehicle previously registered in this state.

(3) The tax collected by the county clerk under this section shall be reported and remitted to the department of revenue on forms provided by the department and on such forms as the department may prescribe. The county clerk shall for his services in collecting the tax be entitled to retain an amount equal to two and one-half percent of the tax collected and accounted for.

(4) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, or transfer the ownership of any motor vehicle previously registered in this state, unless the owner or his agent pays the tax levied under this section in addition to the transfer, registration and license fees.

(5) When a resident of this state offers a motor vehicle for registration for the first time in this state [~~which was registered in another state that levied a tax substantially identical to the tax levied under this section~~], such person shall be entitled to receive a credit against the tax imposed by this section equal to the amount of *a substantially identical* tax *previously* paid to *another* [~~the other~~] state. [~~No credit shall be given under this subsection for taxes paid in another state if that state does not grant similar credit for substantially identical taxes paid in this state.~~]

(6) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, unless the seller or his agent delivers to the county clerk or other officer a certified or photostat copy of the manufacturer's price label for passenger cars or a certified or photostat copy of the itemized billing to the customer in the case of all other motor vehicles; and the clerk shall attach the certified or photostat copy to the copy of the certificate of registration and ownership mailed to the department.

(7) Notwithstanding the provisions of KRS 138.450(3), in no case shall the tax be less than five dollars ($5.00) upon first registration of or any transfer of ownership of a motor vehicle in this state, except where such vehicle is exempt from tax under KRS 138.470.

(8) Where a new motor vehicle is sold by a dealer in this state and the original purchaser returns the vehicle for any reason to the same dealer within sixty (60) days for a new vehicle replacement or a refund of the purchase price, the purchaser shall be entitled to a refund of the amount of usage tax received by the department of revenue as a result of the registration of the returned vehicle. The registration of the returned vehicle shall be cancelled and the vehicle shall be considered to have not been previously registered in Kentucky when resold by the dealer.

(9) When a manufacturer refunds the retail purchase price or replaces a new motor vehicle for the original purchaser within ninety (90) days because of malfunction or defect, the purchaser shall be entitled to a refund of the amount of motor vehicle usage tax received by the department of revenue as a result of the first registration. No person shall be entitled to a refund unless he shall have filed with the department of revenue an affidavit from the manufacturer identifying the vehicle that was replaced and stating the date of replacement.

Section 2. KRS 138.230 is amended to read as follows:

(1) Every dealer receiving gasoline in this state shall keep, and preserve for *six (6)* [~~two (2)~~] years, an accurate record of all receipts and of all production, refining, manufacture, compounding, use, sale, distribution and delivery of gasoline, together with invoices, bills of lading and other pertinent records and papers required by the department of revenue. Every person purchasing gasoline from a dealer for resale shall keep, and preserve for a period of one (1) year, a record of all such gasoline so purchased and sold or used, and the amount of tax paid to the dealers as part of the purchase price, together with delivery tickets, invoices, bills of lading and such other records as the department shall require.

(2) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (3) of this section, and provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(3) In the case of a return required by KRS 138.210 through KRS 138.445 where the tax computed by the department is greater than twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed, provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time.

SECTION 3. A NEW SECTION OF KRS CHAPTER 138.560 THROUGH KRS 138.662 IS CREATED TO READ AS FOLLOWS:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(2) In the case of a return required in KRS 138.560 through KRS 138.662 where the tax computed by the department is greater by twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed, provided however, that in the case of failure to file a return or the filing of a fraudulent return the excess may be assessed at any time.

Section 4. KRS 138.585 is amended to read as follows:

Every special fuels dealer licensee shall maintain complete records of inventories, purchases, sales, use and other dispositions of special fuels. Such records, together with manifests of lading, invoices, correspondence and other papers pertaining to special fuels shall be retained for a minimum period of *six (6)* [~~two (2)~~] years, and, if requested by the department, shall be made available for examination by the department.

Section 5. KRS 143A.010 is amended to read as follows:

(1) "Department" means the department of revenue.

(2) "Natural resource" means all forms of minerals including but not limited to rock, stone, limestone, shale, gravel, sand, clay, fluorspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state. For purposes of this chapter, "natural resource" does not include coal and oil which are taxed under KRS 143.020 and 137.120.

(3) "Severing" or "severed" means the physical removal of the natural resource from the earth or waters of this state by any means; however, "severing" or "severed" shall not include the removal of natural gas from underground storage facilities into which the natural gas has been mechanically injected following its initial removal from the earth.

(4) "Taxpayer" means and includes any individual, partnership, joint venture, association, corporation, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind engaged in the business of severing and/or processing natural resources in this state for sale or use. In instances where contracts, either oral or written, are entered into whereby persons, organizations or businesses are engaged in the business of severing and/or processing a natural resource but do not obtain title to or do not have an economic interest therein, the party who owns the natural resource or has an economic interest is the taxpayer.

(5) "Gross value" is synonymous with gross income from property as defined in section 613(c) of the Internal Revenue Code and regulations 1.613-3 and 1.613-4 in effect on December 31, 1977, with the exception that in all instances transportation expense (whether or not by common carrier) incurred in transporting a natural resource shall not be considered as gross income from the property. Gross value is to be reported as follows:

(a) For natural resources severed and/or processed and sold during a reporting period, gross value is the amount received or receivable by the taxpayer.

(b) For natural resources severed and/or processed, but not sold during a reporting period, gross value shall be determined as follows:

1. If the natural resource is to be sold under the terms of an existing contract, the contract price shall be used in computing gross value.

2. If there is no existing contract, the fair market value for that grade and quality of the natural resource shall be used in computing gross value.

(c) In a transaction involving related parties, gross value shall not be less than the fair market value for natural resources of similar grade and quality.

(d) In the absence of a sale, gross value shall be the fair market value for natural resources of similar grade and quality.

(e) If severed natural resources are purchased for the purpose of processing and resale, the gross value is the amount received or receivable during the reporting period reduced by the amount paid or payable to the taxpayer actually severing the natural resource.

(f) If severed natural resources are purchased for the purpose of processing and consumption, the gross value is the fair market value of processed natural resources of similar grade and quality reduced by the amount paid or payable to the taxpayer actually severing the natural resource.

(g) In all instances, the gross value shall not be reduced by any taxes including the tax levied in KRS 143A.020, royalties, sales commissions, or any other expense.

(6) "Processing" shall include *any treatment processes as defined in Section 613(c)(4)(B) through (I) and Section 613(c)(5) of the Internal Revenue Code in effect on December 31, 1977* [~~but not be limited to breaking, crushing, cleaning, drying, sizing, or loading for shipment~~]. "Processing" shall not include the act of unloading or loading for shipment natural resources that have not been severed, cleaned, broken, crushed, dried, sized, *ground, cooled, sorted, sintered, concentrated* or otherwise treated in Kentucky.

(7) "Related parties" means two (2) or more persons, organizations or businesses owned or controlled directly or indirectly by the same interests.

(8) "Economic interest" for the purpose of this chapter is synonymous with the economic interest ownership required by Internal Revenue Code, section 611 in effect on December 31, 1977, entitling the taxpayer to a depletion deduction for income tax purposes with the exception that a party who only receives an arm's length royalty *from the severing or processing of natural resources other than natural gas and natural gas liquids* shall not be considered as having an economic interest.

(9) "Charges for transporting" or "transportation expense" shall mean:

(a) The amount paid by a taxpayer to a third party for transporting to a customer natural resources taxed in KRS 143A.020;

(b) The cost incurred by a taxpayer using his own facilities in transporting to a customer natural resources taxed under KRS 143A.020;

(c) In no case shall transportation expenses include the cost of acquisition, improvements, or maintenance of real property or the cost of loading or unloading facilities.

Section 6. KRS 143A.060 is amended to read as follows:

Notwithstanding any other provisions of this chapter to the contrary:

(1) In the case of natural resources other than natural gas, where the department finds that it would facilitate and expedite the collection of the tax imposed under KRS 143A.020, the department may authorize the taxpayer processing the natural resource to report and pay the tax which would be due from the taxpayer severing the natural resource. Authorization from the department shall be in the form of an agreement executed by the taxpayer processing the natural resource, the taxpayer severing the natural resource and the department. The agreement shall be in such form as the department may prescribe. The agreement must be signed by the owners if the taxpayers are natural persons; in the case of a partnership or association by a partner or member; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application. The director of the [~~sales and severance tax~~] division *of legal services* shall sign for the department. The agreement may be terminated by any party to the agreement upon giving thirty (30) days' written notice to the other parties to the agreement; however, the department may terminate the agreement immediately upon written notice to the other parties when either the taxpayer processing the natural resource or the taxpayer severing the natural resource fails to comply with the terms of the agreement; and

(2) (a) In the case of natural gas, except for those cases:

1. Where the person severing or severing and processing the natural gas will sell the gas to the ultimate consumer, or

2. Where the department determines that the collection of the taxes due under KRS 143A.020 would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes,

the first person to purchase the natural gas after it has been severed, or in the event that the natural gas has been severed and processed before the first sale, the first person to purchase the natural gas after it has been severed and processed, shall be liable for the collection of the tax imposed under KRS 143A.020. He shall collect the taxes imposed from the person severing, or severing and processing, the natural gas, and he shall remit the taxes to the department. In those cases where the person severing or severing and processing the natural gas sells the gas to the ultimate consumer, the person so severing or severing and processing the natural gas shall be liable for the tax imposed under KRS 143A.020. In those cases where the department determines that the collection of the taxes due under KRS 143A.020 from the severance or severance and processing of natural gas would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes, the department shall set out its determination in writing, stating its reasons for so finding, and so advise the severor or severor and processor at least fifteen (15) days in advance of the first reporting period for which such action would be effective.

(b) On or before the last day of the month following each calendar month, each person first purchasing natural gas as described in (a) above, shall report purchases of natural gas during the month, showing the quantities of gas purchased, the price paid, the date of purchase, and any other information deemed necessary by the department for the administration of the tax levied by KRS 143A.020, and shall pay the amount of tax due, on forms prescribed by the department.

(c) On or before the last day of the month following each calendar month, each person severing, or severing and processing natural gas, shall report the sales of natural gas, showing the name and address of the person to whom sold, the quantity of gas sold, the date of sale, and the sales price on forms prescribed by the department.

Section 7. KRS 140.090 is amended to read as follows:

(1) In calculating the value of the distributive shares the following deductions and no others shall be allowed:

(a) Debts of the decedent, except debts secured by property not subject to the tax jurisdiction of Kentucky; and except debts barred by the statute of limitations;

(b) Taxes accrued and unpaid, except those on property not subject to the tax jurisdiction of Kentucky;

(c) Death duties paid to foreign countries;

(d) Federal estate taxes, in the proportion which the *adjusted gross estate* [~~net estate~~] in Kentucky subject to federal estate taxes bears to the total *adjusted gross estate* [~~net estate~~] everywhere subject to federal estate taxes; all calculations are subject to approval by the department of revenue;

(e) Drainage, street or other special assessments due and unpaid which are a lien on said property;

(f) Funeral, monument, and cemetery lot maintenance expenses actually paid not exceeding in total twenty-five hundred dollars ($2,500);

(g) Commission of executors and administrators in the amount actually allowed and paid;

(h) Cost of administration, including attorney's fees actually allowed and paid.

(2) Notwithstanding the provisions of KRS 404.040, the debts of a deceased wife, subject to the exception in subsection (1)(a) *of this section*, shall be allowed in calculating the distributive shares of her estate for purposes of this chapter, provided such debts are paid from the proceeds of her estate.

Section 8. KRS 140.130 is amended to read as follows:

(1) In addition to the inheritance tax hereinbefore imposed, an estate tax is hereby levied on all estates equal to the amount by which the credits for state death taxes allowable under the federal tax law exceeds the tax levied under KRS 140.010, less the discount allowed under KRS 140.210, if taken by the taxpayer. Said tax shall be payable at the same time and in the same manner as the inheritance taxes levied by this chapter.

(2) In the case of resident decedents and nonresident decedents over part of whose estates Kentucky has tax jurisdiction the estate tax shall be computed as follows:

(a) The ratio which that part of the *adjusted gross* [~~net~~] estate over which Kentucky has jurisdiction for estate tax purposes bears to the total *adjusted gross* [~~net~~] estate wherever located shall be ascertained.

(b) The total maximum offset for state succession taxes allowed under the provisions of the federal estate tax law shall be multiplied by the ascertained ratio to determine the offset allocable to this state.

(c) The estate tax levied by this section shall equal the amount, if any, by which the offset allocable to this state shall exceed the inheritance taxes under KRS 140.010, less the discount allowed under KRS 140.210, if taken by the taxpayer.

(3) All administrative provisions of this chapter, to the extent that they are applicable, shall be available for the enforcement of this section and KRS 140.140.

Section 9. KRS 140.222 is amended to read as follows:

(1) When the net tax due from a *Class A* beneficiary's distributive share exceeds five thousand dollars ($5,000), the beneficiary *or the personal representative if directed by the beneficiary* may elect to pay the inheritance tax in ten (10) equal installments *provided the beneficiary's distributable share does not consist of cash, marketable securities or other readily liquid assets in excess of twice the tax liability. When the will requires the tax to be paid from the residue of the estate, a beneficiary, in agreement with the personal representative of the estate, may make such election as provided in this section.* The first installment

shall be due at the time the return is filed with succeeding payments due in annual installments beginning one (1) year after the return is filed.

(2) The portion of the tax deferred under this section shall be charged with interest at *the tax interest rate as defined in KRS 131.030(6)* [~~eight percent (8%) per annum~~] commencing eighteen (18) months after the date of death.

(3) When the beneficiary elects to pay the tax on his share as provided in this section, such election must be made in writing and signed by the beneficiary and must be filed with the department of revenue at the time of filing the tax return for the decedent's estate under KRS 140.160(2). The filing of the election together with payment of the first installment shall relieve the personal representative or trustee of the estate from further liability for the tax payments deferred under this section and the bond requirements of KRS 140.210, subject to the final approval by the department of revenue of all other taxes due under this chapter.

(4) A beneficiary electing to defer the payment of taxes under this section shall be personally liable for the amount of deferred taxes until paid.

(5) The period of limitations for actions to enforce the collection of taxes imposed by this chapter as provided by KRS 140.160(3) shall be suspended for the period of time for deferred payment granted by this section.

Section 10. KRS 140.300 is amended to read as follows:

As used in KRS 140.310 to 140.360 these words shall have the following meaning:

(1) "Agricultural land" means that real estate which is defined in KRS 132.010*(9)*[~~(7)~~].

(2) "Horticultural land" means that real estate which is defined in KRS 132.010*(10)*[~~(8)~~].

(3) "Agricultural or horticultural value" means the value as defined in KRS 132.010*(11)*[~~(9)~~].

(4) "Qualified real estate" means real property which:

(a) Is either horticultural or agricultural land;

(b) *Must have been owned and used by the decedent for agricultural or horticultural purposes for five (5) years prior to his death* [~~Has been used for agricultural or horticultural purposes for five (5) years prior to the death of the owner of the real estate or a joint owner thereof~~]; and

(c) Fair cash value *of the decedent's interest* exceeds fifty percent (50%) of the gross taxable estate of decedent for Kentucky inheritance tax purposes. *Gross taxable estate shall include agricultural and horticultural land at fair cash value.*

(5) "Qualified person" means the spouse of and/or the children (including adopted children) of and their spouses, if any, of a deceased owner of agricultural or horticultural land and is a person who proposes to devote the real property to agricultural or horticultural purposes for at least five (5) years after the death of the decedent in whose estate the agricultural or horticultural land is subject to assessment.

Section 11. KRS 140.350 is amended to read as follows:

(1) At such time as the department of revenue accepts the agricultural or horticultural value on qualified real estate comprising a portion of a decedent's estate and issues tax waivers thereon, it shall cause to be filed in the office of the county clerk of the county where the real estate or the greater portion thereof is located, on a form prescribed by the department of revenue, a lien which on its face shall expire in five (5) years and the lien shall secure the payment of any additional tax which may become due as the result of the qualified real estate being sold to others than qualified persons or the qualified real estate being converted to other than a qualified use.

(2) A qualified person may obtain a release of the lien by posting a bond with the department of revenue for the unexpired period of the five (5) year lien in the amount shown on the face of the lien plus interest at the tax interest rate as defined in KRS 131.030(6).

(3) If additional taxes are due as the result of the real estate being transferred to other than a qualified person or its use is converted to other than agricultural or horticultural use, and the additional tax is not paid after assessment of the tax, within the time prescribed by the regulations of the department of revenue, then the department of revenue may proceed to enforce the lien in accordance with law.

Section 12. KRS 136.070 is amended to read as follows:

(1) Every corporation organized under the laws of this state, every corporation having its commercial domicile in this state, and every foreign corporation owning or leasing property located in this state or having one or more individuals receiving compensation in this state, except state and national banks and trust companies, savings and loan associations organized under the laws of this state and under the laws of the United States and making loans to members only, open-end registered investment companies organized under the laws of this state and registered under the investment company act of 1940, production credit associations, insurance companies, including farmers' or other mutual hail, cyclone, windstorm or fire insurance companies, insurers and reciprocal underwriters, public service companies subject to taxation under KRS 136.120, those corporations exempted by section 501 of the Internal Revenue Code *as defined in KRS 141.010(3)*, any property or facility which has been certified as an alcohol production facility as defined in KRS 247.910, and any other religious, educational, charitable or like corporations not organized or conducted for pecuniary profit, shall pay to the state an annual license tax of seventy cents (70¢) on each one thousand dollars

($1,000) of the capital employed in the business as computed under the provisions of subsections (2) and (3) of this section.

(2) (a) The term "capital" as used in this section means capital stock, surplus, advances by affiliated companies, intercompany accounts, borrowed monies or any other accounts representing additional capital used and employed in the business. Accounts properly defined as "capital" in this section shall be reported at the value reflected on financial statements prepared for book purposes as of the last day of the calendar or fiscal year.

(b) "Capital employed," in the case of corporations having property or payroll only in this state, means "capital" as defined above.

(c) "Capital employed," in the case of corporations having property or payroll both within and without this state means "capital" as defined above and as apportioned under subsection (3) of this section.

(d) Property means either real property or tangible personal property which is either owned or leased. Payroll means compensation, paid to one (1) or more individuals, as described in subsection (3) of this section. Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction.

(e) "Corporations" means "corporations" as defined in section 7701 (a)(3) of the Internal Revenue Code.

(3) The total capital, as determined under subsection (2) of this section, shall be apportioned as follows:

(a) The total capital shall be multiplied by a fraction, the numerator of which is the property factor plus the payroll factor, plus the sales factor, and the denominator of which is three (3).

(b) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period; provided, however, that property which has been certified as a pollution control facility as defined in KRS 224.850 shall be excluded from the property factor.

1. Property owned by the taxpayer is valued at its original cost. If the original cost of any property is not determinable or is nominal or zero, such property shall be valued by the department under regulations promulgated by the department. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals, provided that such rental and such subrentals are reasonable. If the department determines that the annual rental or subrental rate is unreasonable, or if nominal or zero rate is charged, the department may determine and apply such rental rate as will reasonably reflect the value of the property rented by the taxpayer.

2. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the department may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

(c) The payroll factor is a fraction, the numerator of which is the total amount paid or payable in this state during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid or payable everywhere during the tax period. Compensation is paid or payable in this state if:

1. The individual's service is performed entirely within the state; or

2. The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

3. Some of the service is performed in the state and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(d) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period. Sales of tangible personal property are in this state if:

1. The property is delivered or shipped to a purchaser, other than the United States government, or to the designee of the purchaser within this state regardless of the f.o.b. point or other conditions of the sale;

2. The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the purchaser is the United States government; or

3. Sales, other than sales of tangible personal property, are in this state if the income-producing activity is performed in this state; or the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(4) If the apportionment provisions of this section do not fairly measure the taxpayer's capital in this state, the taxpayer may petition for or the department may require:

(a) The exclusion of any one (1) or more of the factors;

(b) The inclusion of one (1) or more additional factors which will fairly measure the taxpayer's capital in this state; or

(c) The employment of any other method to produce an equitable apportionment of the taxpayer's capital.

(5) No corporation required to pay an annual license tax under this section shall pay less than ten dollars ($10).

Section 13. KRS 136.076 is amended to read as follows:

(1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and except that in the case of a failure to file a return, or of a fraudulent return, the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The *times* [~~time~~] provided in this section *and KRS 134.580(3)* may be extended by agreement between the taxpayer and the department.

(2) For the purpose of subsection (1) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

Section 14. KRS 136.090 is amended to read as follows:

(1) Corporations liable to taxation under KRS 136.070 shall file with the department of revenue each year, on forms prepared by the department, a written report, verified by *an affidavit executed by one (1) of the following officers of the corporation: the president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer, or chief accounting officer* [~~the affidavit of the president or secretary of the corporation~~]. This report shall give the name of the corporation; the name of the state or government under the laws of which it is incorporated; the date of incorporation; the place of its principal office in and out of this state; the name and address of its president and secretary; the name and address of its authorized agent or attorney upon whom process may be executed in this state; the name and address of the officer or agent in charge of its business in this state; and the nature and kind of business in which it is engaged.

(2) The report shall also give the total value of all the property owned and used by the corporation; the value of the property owned and used by it in this state; the aggregate amount of business transacted by it during the preceding calendar year or fiscal year; the amount of such business transacted in this state; and such other facts as the department requires.

Section 15. KRS 136.990 is amended to read as follows:

(1) Any county clerk who fails to comply with the provisions of subsection (2) of KRS 136.020 shall be fined not less than ten dollars ($10.00) nor more than twenty-five dollars ($25.00).

(2) Any corporation that fails to pay its taxes, penalty and interest as provided in subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty dollars ($50.00) for each day the same remains unpaid, to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

(3) Any public service corporation, or officer thereof, that willfully fails or refuses to make reports as required by KRS 136.130 and 136.140 shall be fined one thousand dollars ($1,000), and fifty dollars ($50.00) for each day the reports are not made after March 31 of each year.

(4) Any superintendent of schools or county clerk who fails to report as required by KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars ($50.00) nor more than one hundred dollars ($100) for each offense.

(5) Any company or association that fails or refuses to return the statement or pay the taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars ($1,000) for each offense.

(6) Any insurance company that fails or refuses for thirty (30) days to return the statement required by KRS 136.330 or 136.340, under the oath of some principal officer or general agent or manager of this state, and to pay the tax required by KRS 136.330 or 136.340, shall forfeit one hundred dollars ($100) for each offense. The commissioner of insurance shall revoke the authority of the company or its agents to do business in this state, and shall publish the revocation pursuant to KRS chapter 424.

(7) Any person who violates subsection (3) of KRS 136.390 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.

(8) Where no other penalty is mentioned for failing to do an act required, or for doing an act forbidden, by this chapter, the penalty shall be not less than ten dollars ($10.00) nor more than five hundred dollars ($500).

(9) The Franklin Circuit Court shall have jurisdiction of all prosecutions under subsections (5) to (7) of this section.

(10) If any taxpayer fails to make *and* [~~or~~] file a return as required by KRS 136.090 on or before the due date of the return *or the due date as extended by the department, or fails to pay the tax imposed by this chapter within the time prescribed*, then, unless it is shown to the satisfaction of the department that

the failure is due to reasonable cause, five per cent (5%) of the tax found to be due by the department shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five per cent (25%) of the tax provided, however, that in no case shall a penalty be less than ten dollars ($10.00).

(11) If the tax imposed by KRS 136.070, whether assessed by the department or the taxpayer, or any instalment or portion of the tax, is not paid on or before the date prescribed for its payment, it shall be collected as a part of the tax, interest upon the nonpaid amount at the *tax interest* rate *as defined in KRS 131.030(6)* [~~of eight per cent (8%) per annum~~] from the date prescribed for its payment until payment is actually made to the department.

Section 16. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Commissioner" means the commissioner of revenue;

(2) "Department" means the department of revenue;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1979, exclusive of any amendments made subsequent to that date;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude income from supplemental annuities provided by the railroad retirement act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amount allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code and by Section 214 of the Internal Revenue Code as it existed on December 31, 1975 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(h);

(c) The deduction for personal exemptions allowed under section 151 of the Internal Revenue Code and any other deductions in lieu thereof;

(12) "Gross income," in the case of corporations, means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors under the provisions of section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of section 281 of the Internal Revenue Code in computing gross income;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus all the deductions from gross income allowed corporations by chapter 1 of the Internal Revenue Code, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in sections 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction *or expense* directly or indirectly *related to the acquisition, management or disposition of assets, which produce nonbusiness income or loss as defined in KRS 141.120 or income otherwise not taxed under the provisions of this chapter* [~~allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter~~], and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120; and

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(15) "Person" means "person" as defined in section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in section 3401(d) of the Internal Revenue Code;

(20) "Employe" means "employe" as defined in section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), and (q) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in section 7701(a)(3) of the Internal Revenue Code;

(25) "Electing small business corporations" means "electing small business corporations" as defined in Section 1371(b) of the Internal Revenue Code. Stockholders of a corporation qualifying after December 31, 1979 as "electing small business corporations" under Chapter 141 may elect to treat such qualification as an initial qualification under Internal Revenue Code Sections 1371-1378.

Section 17. KRS 141.081 is amended to read as follows:

(1) An individual, at his election, may deduct from his adjusted gross income a standard deduction of six hundred and fifty dollars ($650).

(2) The standard deduction provided for in this section shall be in lieu of all deductions and shall not be allowed in the case of a taxable year of less than twelve (12) months on account of a change in the accounting period or in the case of a fiduciary.

(3) In the case of a husband and wife living together, the standard deduction provided for in this section shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction. The determination of marital status shall be made in the manner prescribed in section *143* [~~153~~] of the Internal Revenue Code.

Section 18. KRS 140.152 is amended to read as follows:

The provisions of KRS 140.070 *and* [~~,~~] 140.080 [~~and 140.151~~] shall apply when death occurs on or after July 1, 1978.

SECTION 19. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

(1) The department is authorized to establish an account entitled the "revenue fees account" which is a fund created within the restricted fund group set forth in KRS 45.322(1)(e). The purpose of this account is to provide for the payment and reimbursement of costs and fees expended and collected by the department in pursuit of the department's collection and enforcement responsibilities, as described in subsection (2) of this section. This account shall not lapse.

(2) The department is authorized to deposit into the revenue fees account amounts appropriated to the department for collection purposes, including but not limited to sheriff costs, court costs, county clerk fees, transcript fees, and other costs of implementing and enforcing the revenue laws of the Commonwealth.

(3) In addition, the department is authorized to deposit into the revenue fees account amounts collected from taxpayers which reimburse the department for the expenditures described in subsection (2) herein.

(4) The department is authorized to withdraw from the revenue fees account any and all amounts required to pay for the expenditures described in subsection (2) of this section.

Section 20. The following KRS section is repealed:

140.151 Payment of taxes on farms or other closely held businesses.

Section 21. The provisions of Sections 12 through 17 of this Act shall apply to taxable years beginning after December 31, 1981.

Committee Amendment No. 1 to Committee Substitute to **HB 515** is as follows:

Amend printed copy of Committee Substitute to **HB 515,** page 17, lines 7 and 8 by deleting the underlined material in its entirety;

On lines 8 and 9 by removing the brackets and strike-throughs.

HB 643, AN ACT establishing the Institute of Government and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Kentucky State University, located in Frankfort, the state capital, offers a unique opportunity to government agencies and shall have a mission to focus on the research, educational, and training needs of state and local governments. It is the intent of the general assembly that the institute of government shall be established at Kentucky State University in Frankfort. The Kentucky State University board of regents shall administer the institute and shall review the university's programs and resources and transfer appropriate functions, duties, personnel, positions, records, equipment, and funds to the institute. The governor, pursuant to Kentucky's Plan in Response to the Office of Civil Rights Letter of January 15, 1981, accepted January 1982, shall direct state agencies to cooperate with Kentucky State University in planning and implementing the institute and shall transfer all career education and training programs now in existence in the division of career training, as established by executive order 81-1028 to the institute. Agencies shall request all personnel training and certification programs, applied research assistance, program evaluations and technical assistance from the institute. All requests, either local, regional, or statewide, shall be coordinated through the institute and provided or arranged by the institute. Activities coordinated by the institute may be provided by other institutions of higher education or other providers as necessary in any area of the state.

(2) There shall be an advisory board to develop and submit for approval to the board of regents policies and procedures for the planning, implementation, and operation of the institute. The advisory board shall consist of seven (7) members appointed by the governor from nominations submitted from the following organizations except that two (2) members shall be appointed by the governor to represent state agencies:

(a) One (1) member selected from a list of three (3) nominations submitted by the Kentucky municipal league;

(b) One (1) member selected from a list of three (3) nominations submitted by the Kentucky association of counties;

(c) One (1) member selected from a list of three (3) nominations submitted by the Kentucky county judges' association; and

(d) Two (2) members selected from a list of five (5) nominations submitted by the Kentucky State University alumni association. The president of the university shall serve as an ex officio member.

(3) Effective August 1, 1982 appointments shall be made and each individual appointment shall be for a period of four (4) years except that the original appointments shall be as follows: three (3) appointments shall be for four (4) years, two (2) shall be for three (3) years, one (1) shall be for two (2) years, and one (1) for one (1) year. Members may serve successive terms, though no more than two (2) full terms at one time, if renominated and reappointed in the manner prescribed for membership. Vacancies shall be filled as they occur in a manner consistent with the provisions for initial appointments.

(a) At the first meeting held on or after July 1 of each year a chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. Records of proceedings and recommendations shall be prepared and transmitted to the board of regents. Regular meetings shall be held at least once every three (3) months or whenever deemed necessary by the chairman or by the majority of the members. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in performance of their duties.

(b) The board of regents, is empowered to receive donations and grants of funds; to appoint consultants as needed; to sponsor studies, conduct conferences, publish information and enter into contractual arrangements for programs of research, specialized training, and cultural enrichment; to carry on the functions related to the duties and responsibilities of the advisory board. The advisory board shall pursue donations and grants to be used for the institute.

(c) The board shall submit to the board of regents an annual evaluation of the institute, including the effectiveness of the director.

(4) The board of regents shall appoint a director and other necessary faculty and staff members in accordance with KRS 164.360 and 164.365. The institute shall be administered by the director who shall be responsible for:

(a) Providing all necessary assistance and resources to the advisory board;

(b) Working with the advisory board to develop policies, procedures and recommendations for the board of regents to insure that the mission and functions of the institute are implemented in an effective and cost-efficient manner;

(c) Administer the institute within the scope of the policies, and procedures as established by the board of regents upon the advice of the advisory board;

(d) Nominate candidates to fill positions within the approved staffing pattern and forward the nominations to the board of regents.

(5) In coordinating service to governmental agencies, the institute shall be responsible for:

(a) The development, coordination and implementation of all education and training programs, with a special emphasis on managerial, and office technical skills within the executive branch of state government as established by executive order 81-1028;

(b) Training design, course development, training consultant services and delivery of instruction in areas determined by the advisory board;

(c) Providing additional services such as technical assistance to governmental leaders, applied research to agency requests, and analysis of agencies, policies, or activities within the scope of the institute's policies and procedures.

(6) The board of regents, with assistance from the advisory board, shall make a full report to the general assembly, within the first month of each regular session, of the condition and operation of the institute since the date of the previous report, with such recommendations concerning the institute as are deemed necessary.

Section 2. To carry out the purposes of this Act, there is appropriated to Kentucky State University out of the General Fund in the State Treasury the sum of $300,000 for the fiscal year 1982-83 and the sum of $450,000 for the fiscal year 1983-84.

Committee Substitute to **HB 643** is as follows:

HB 643, AN ACT establishing the Institute of Government and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Kentucky State University, located in Frankfort, the state capital, offers a unique opportunity to government agencies and shall have a mission to focus on the research, educational, and training needs of state and local governments. It is the intent of the general assembly that the institute of government shall be established at Kentucky State University in Frankfort. The Kentucky State University board of regents shall administer the institute and shall review the university's programs and resources and transfer appropriate functions, duties, personnel, positions, records, equipment, and funds to the institute. The governor, pursuant to Kentucky's Plan in Response to the Office of Civil Rights Letter of January 15, 1981, accepted January 1982, shall direct state agencies to cooperate with Kentucky State University in planning and implementing the institute and shall transfer all programs, functions, duties, personnel, positions, records, equipment and funds of the division of career training and its subunits, as established by executive order 81-1028 to the institute. The personnel of the division of career training transferred to the institute shall be subject to KRS Chapter 18 except for those positions identified by the coordinating board as unclassified positions. The secretary of the cabinet for finance and administration shall coordinate within his cabinet career development activities for state government. The career development activities shall include:

(a) A program of career development counseling which shall include career counseling for state employes;

(b) Educational assistance and compensated educational leave programs;

(c) Career development opportunities within the state service;

(d) Employe orientation programs within the state service;

(e) Budget estimates for support of the programs and duties described in this section;

(f) Review and approval of all personal service contracts which include the delivery of training services; and

(g) Program evaluation.

State government agencies shall request through the cabinet for finance and administration all training and certification programs, employe career development programs and services, political studies, applied research assistance, and technical assistance from the institute. All requests, either local, regional, or statewide, shall be coordinated through the institute and provided or arranged by the institute. Activities coordinated by the institute may be provided by other institutions of higher education or other providers as necessary in any area of the state.

(2) There shall be a coordinating board to develop and submit to the board of regents policies and procedures for the planning, implementation, and operation of the institute. The board shall consist of the secretary of the cabinet for finance and administration, or his designee, who shall serve as chairman and six (6) other members appointed by the governor from nominations submitted from the following organizations, except that two (2) members shall be appointed by the governor to represent state agencies:

(a) One (1) member selected from a list of three (3) nominations submitted by the Kentucky municipal league;

(b) One (1) member selected from a list of three (3) nominations submitted by the Kentucky association of counties;

(c) One (1) member selected from a list of three (3) nominations submitted by the Kentucky county judges' association; and

(d) One (1) member selected from a list of five (5) nominations submitted by the Kentucky State University alumni association. The president of the university shall serve as an ex officio member.

(3) Effective August 1, 1982 appointments shall be made and each individual appointment shall be for a period of four (4) years except that the original appointments shall be as follows: two (2) appointments shall be for four (4) years, two (2) shall be for three (3) years, one (1) shall be for two (2) years, and one (1) for one (1) year. Members may serve successive terms, though no more than two (2) full terms at one time, if renominated and reappointed in the manner prescribed for membership. Vacancies shall be filled as they occur in a manner consistent with the provisions for initial appointments.

(a) Records of proceedings and recommendations shall be prepared and transmitted to the board of regents. Regular meetings shall be held at least once every three (3) months or whenever deemed necessary by the chairman or by the majority of the members. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in performance of their duties.

(b) The board of regents, to carry on the functions related to the duties and responsibilities of the coordinating board, is empowered to receive donations and grants of funds; to appoint consultants as needed; to sponsor studies, conduct conferences, publish information and enter into contractual arrangements for programs of research, specialized training, and cultural enrichment. The coordinating board shall pursue donations and grants to be used for the institute.

(c) The board shall submit to the board of regents an annual evaluation of the institute, including the effectiveness of the director.

(4) The board of regents with the approval of the coordinating board shall appoint a director and other necessary faculty and staff members in accordance with KRS 164.360 and 164.365. The institute shall be administered by the director who shall be responsible for:

(a) Providing all necessary assistance and resources to the coordinating board;

(b) Working with the coordinating board to develop policies, procedures and recommendations for the board of regents to insure that the mission and functions of the institute are implemented in an effective and cost-efficient manner;

(c) Administer the institute within the scope of the policies, and procedures as established by the board of regents upon the advice of the coordinating board;

(d) Nominate candidates to fill positions within the approved staffing pattern and forward the nominations to the board of regents.

(5) In coordinating service to governmental agencies, the institute shall be responsible for:

(a) The development, coordination and implementation of all education and training programs within the executive branch of state government;

(b) Training design, course development, training consultant services and delivery of instruction in areas determined by the coordinating board;

(c) Providing additional services such as technical assistance to governmental leaders, applied research to agency requests, and analysis of agencies, policies, or activities within the scope of the institute's policies and procedures.

(6) The board of regents, with assistance from the coordinating board, shall make a full report to the general assembly, within the first month of each regular session, of the condition and operation of the institute since the date of the previous report, with such recommendations concerning the institute as are deemed necessary.

HB 811, AN ACT relating to surface coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.139 is amended to read as follows:

[~~(1)~~] All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

[~~(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit to strip mine to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.~~]

Section 2. KRS 350.139, 1980 Acts, Chapter 377, Section 4, operative on approval of primacy, is amended to read as follows:

[~~(1)~~] All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees and civil penalties shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

[~~(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit for surface coal mining operations to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.~~]

The Committee on Cities reported **SB 66, SB 264, SB 316,** and **SB 339** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 66, AN ACT relating to public financial reporting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 424.220 is amended to read as follows:

Excepting officers of a city of the first class, a county containing such a city, a public agency of such a city or county, or a joint agency of such a city and county, or of a school district of such a city or county, and excepting officers of a city of the second class that is required by law to publish an annual audit of its financial affairs, every public officer of any school district, city, county, or subdivision or district less than a county, whose duty it is to collect, receive, have the custody, control or disbursement of public funds, and every officer of any board or commission of a city, county or district whose duty it is to collect, receive, have the custody, control or disbursement of funds collected from the public in the form of rates, charges or assessments for services or benefits, shall at the expiration of each fiscal year prepare an itemized, sworn statement of the funds collected, received, held or disbursed by him during the fiscal year just closed, unless he has complied with KRS 424.230. The statement shall show the amount of funds collected and received, from what sources received, the amount disbursed, the date of each disbursement, for what purpose expended, and to whom paid, except that *the salaries and commissions paid to all city or county employes and officers shall be shown only as lump sum expenditures by cost categories and not individually, and only the lump sum amount paid for all public utilities* [~~only the totals of amounts paid to each individual as salary or commission and public utility bills~~] need [~~to~~] be shown and except that the amount of salaries paid to all teachers shall be shown as a lump sum instructional expenditure for the school district and not by amount paid to individual teachers and the amount of salaries paid to all other employes of the board shall be shown as lump sum expenditures by category, including, but not limited to, administrative, maintenance, transportation, and food service; however the local board of education must have accessible a factual list of individual salaries for public scrutiny and the local board shall furnish by mail a factual list of individual salaries of its employes to a newspaper qualified under KRS 424.120 to publish advertisements for the district, which newspaper may then publish as a news item the individual salaries of school employes. *The governing body of any city or county shall maintain for public scrutiny a factual list of individual salaries and commissions paid to its employes and officers, and the sworn statement as herein required shall indicate the availability and location of such list.* The officer shall procure and include in or attach to the statement as a part thereof a certificate from the cashier or other proper officer of the banks in which the funds are or have been deposited during the past year, showing the balance, if any, of funds to the credit of the officer making the statement. The officer shall, within sixty (60) days after the close of the fiscal year, cause the statement to be published in full in a newspaper qualified under KRS 424.120 to publish advertisements for the city, county or district, as the case may be. Promptly after the publication is made, the officer shall file a written or printed copy of the advertisement with proof of publication, in the office of the county clerk of the county. Within thirty (30) days after publication, the officer shall file with the auditor of public accounts a copy of the newspaper containing the statement.

SB 264, AN ACT relating to cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 91A.040 is amended to read as follows:

(1) Each city, *except a city of the sixth class,* shall, as soon as practicable and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant.

(2) *Each city of the sixth class, except cities having staggered terms under the provisions of KRS 83A.110, shall upon the expiration of the terms of office of its legislative members, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant. Those cities of the sixth class having staggered terms under the provisions of KRS 83A.110 shall, upon the expiration of the terms of office of legislative body members elected in odd numbered years, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant. Such audits shall be completed as soon as practicable and in no event later than two hundred seventy (270) days from the expiration of the terms of office of the aforementioned legislative body members.*

(3)[~~(2)~~] *Each* [~~The~~] city shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include, but not be limited to, requirements that:

(a) The auditor be employed to examine the balance sheets of all governmental proprietary and fiduciary funds of the city;

(b) All audit information be prepared in accordance with generally accepted governmental auditing standards which includes such tests of the accounting records and such auditing procedures as considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(c) The auditor prepare a typewritten or printed report embodying financial statements and his opinion and statements relating thereto;

(d) The auditor express an overall opinion as to whether the statement of receipts and expenditures presents fairly the financial condition of the city or state the reasons why an overall opinion cannot be expressed;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting;

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the auditor of public accounts upon request of the city or the auditor of public accounts, and the auditor of public accounts shall have the right to review the certified public accountant's work papers upon request.

(4)[~~(3)~~] Upon completion of an [~~annual~~] audit, *each* [~~the~~] city shall forward two (2) copies of the audit report to the department for local government for information purposes.

(5)[~~(4)~~] Upon completion of an [~~annual~~] audit, *each* [~~the~~] city shall publish a summary of the audit in accordance with KRS Chapter 424.

(6)[~~(5)~~] A copy of an [~~annual~~] audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements.

SECTION 2. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO READ AS FOLLOWS:

In lieu of the auditing requirements set forth in KRS 91A.040, any city which for the fiscal year in question receives and expends, from all sources, and for all purposes, less than twenty-five thousand dollars ($25,000), and which has no long-term debt, whether general obligation or revenue debt, may comply fully with the provisions of KRS 424.220, and compliance with the provisions of that section shall constitute compliance with and be in lieu of the requirements of KRS 91A.040.

SB 316, AN ACT relating to tax collection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) The collector may enforce city tax liens by bringing suit in rem against property so encumbered. This means of enforcement shall not be the exclusive remedy available to the collector and shall be in addition to all other remedies available at law or equity. Any number of parcels of real estate may be joined in one (1) petition or suit. Each separate tract or parcel of real estate joined in any one (1) action shall be included in a separate count to distinguish it from other parcels within the same action.

(2) Each separate tract or parcel of real estate joined in any one (1) action shall be listed by the collector by its tax district, block, lot and sub-lot and shall be separately indexed and docketed by the circuit court clerk in a book kept by the clerk for that purpose. For each parcel of real estate the circuit court clerk shall be allowed a fee of fifty cents (50¢) which shall be taxed and paid as other costs.

SECTION 2. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) A suit for the enforcement of the tax liens brought pursuant to KRS 91.481 to 91.527 shall be instituted by filing with the circuit court clerk a petition, containing a caption in substantially the following form:

*No.*____________ ____________________*Circuit Court*
*City of*____________________ ____________________*Division*
Plaintiff

VS.

______________*Parcels of Land Encumbered*
with Delinquent Tax Liens *Defendants*

(2) The petition also shall contain a separate count for each parcel of real estate included in the action. Each count in the petition shall set forth those items of information required of the collector in KRS

91.484(2) and shall list the name of any taxing authority or person of record owning or holding any tax bill or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate as set out in the petition, and a claim. The specific right, title, or interest either owned or claimed, or lien held, by any taxing authority other than the city or by other interested persons of record need not be set forth in the action.

(3) The petition shall conclude with a claim that all city tax liens upon such real estate be enforced; that the court determine the amounts and priorities of all tax bills, together with interest, penalties and costs; that the court order such real estate to be sold by the master commissioner pursuant to the provisions of KRS 426.560 through 426.715, except as otherwise provided in Section 6 of this Act, and that a report of the sale be made by the master commissioner to the court for further proceedings under the provisions of KRS 91.481 to 91.527.

(4) The petition so filed shall have the same effect, with respect to each parcel of real estate described, as a separate suit instituted to enforce the tax lien against any one (1) of the parcels of real estate. The invalidity of any separate count shall not in any way affect the validity of the remainder of the proceedings with respect to any other count in the action.

SECTION 3. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) Any action brought pursuant to this Act shall constitute an action in rem and the pleadings therein shall consist of a petition and an answer or answers.

(2) An answer may be filed by any person or taxing authority owning or claiming any right, title or interest in or to any tax bill constituting a tax lien on the real estate described in the petition or by any person owning or claiming any right, title, or interest in or to, or lien upon, such real estate. An answer shall include the nature and amount of the interest and any defense or objection to the enforcement of the tax liens listed in the petitions, and may include the allegations usually incorporated by the appropriate pleadings.

(3) Any answers shall contain the caption and number of the case, and the count number or numbers, as set out in the petition, of the parcels of real estate concerned. Such answer must be filed with the circuit court clerk and a copy thereof served on the collector not later than fifty (50) days after the date of the first publication of the notice of enforcement.

(4) In the event of failure to answer within said fifty (50) day period, a default judgment may be taken on all parcels of real estate for which no answer has been filed.

SECTION 4. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) Within thirty (30) days after the filing with the circuit court clerk of an enforcement suit for the collection of unpaid taxes under the provisions of KRS 91.481 to 91.527, the collector shall cause a notice of enforcement to be published four (4) times, once each week, during successive weeks, and on the same day of each week, otherwise in accordance with the provisions of KRS Chapter 424.

(2) Such notice shall be in substantially the following form:

NOTICE OF ENFORCEMENT OF LIEN FOR
DELINQUENT LAND TAXES BY ACTION IN REM

Public Notice is hereby given that on the ______ day of ______________, 19____, the City of ______________ of ______________ County, Kentucky, filed a petition, being Action Number ______________, in the Circuit Court of ______________ County, Kentucky, at ______________ (stating the city), for the enforcement of liens for delinquent land taxes (except liens in favor of the United States of America, if any) against the real estate situated in such city, all as described in said petition.

The object of said suit is to obtain from the court a judgment enforcing the city's tax and other liens against such real estate and ordering the sale of such real estate for the satisfaction of said liens thereon (except liens in favor of the United States of America if any), including principal, interest, penalties, and costs. Such action is brought against the real estate only and no personal judgment shall be entered therein.

The count number assigned by the city to each parcel of real estate, a description of each such parcel by street address and the property valuation administrator's tax parcel number (district, block, lot and sub-lot), a statement of the total principal amount of all delinquent city tax bills against each such parcel of real estate, all of which, as to each parcel, is more fully set out and mentioned by count in the aforesaid petition, and the name of any taxing authority or person of record owning or holding any tax bill or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate as set out in the petition, are respectively as follows:

(Here set out the respective count numbers, property descriptions, names of taxpayers of record and statements of total principal amounts of tax bills, and names of those other interested persons of record next above referred to.)

The total principal amounts of delinquent taxes set out in this notice do not include the lawful interest, penalties, and costs which have accrued against the respective parcels of real estate.

Any person or taxing authority owning or holding any tax bill or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate must file an answer to such suit in the office of the circuit court clerk of ______________ county in ______________, and a copy of such answer with the city of ______________ in accordance with the Kentucky rules of civil procedure, on or before the ______ day of ______________, 19 ____, and in such answer shall set forth in detail the nature and the amount of such interest and any defense or objection to the enforcement of the tax liens, or any affirmative relief he or it may be entitled to assert with respect thereto.

Any person having any right, title, or interest in or to, or lien upon, any parcel of such real estate may have the city's claims against such parcel dismissed from the action by paying all of the sums mentioned therein to the city of ______________ including principal, interest, penalties, and costs then due, at any time prior to the enforcement sale of such real estate by the master commissioner.

In the event of failure to answer on or before the date herein fixed as the last day for filing answer in the suit, by any person having the right to answer, such person shall be forever barred and foreclosed as to any defense or objection he might have to the enforcement of such liens for delinquent taxes and the judgment of enforcement may be taken by default. Redemption may be made for a period of sixty (60) days after the master commissioner's enforcement sale, if the sale price is less than the parcel's current assessed value as certified by the department of revenue. Each such person having any right, title, or interest in or to, or any lien upon, any such parcel of real estate described in the petition so failing to answer or redeem, as aforesaid, shall be forever barred and foreclosed of any right, title, or interest in or to, or lien upon, or any equity of redemption in said real estate.

____________________________, Kentucky
(name of City)

____
Attorney

____
____
____
Address

____
Phone

____
Date of first publication

SECTION 5. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) The collector shall also cause to be prepared and mailed by first class mail, certified by a U.S. postal service certificate of mailing, within thirty (30) days after the filing of such petition, a brief notice of the filing of the suit to any taxing authority or person of record owning or holding any tax bills or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate as set out in the petition. The failure of the collector to mail the notice, or the failure of the taxing authority or person of record owning any tax bill or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate, as set out in the petition, to receive such notice shall not affect the validity of any proceedings brought pursuant to the provisions of KRS 91.481 to 91.527.

(2) The notice shall be substantially as follows:

To the person to whom this notice is addressed:

Public records indicate that you may own or claim some right, title, or interest in or to, or hold a lien upon a certain parcel of real estate located at (here insert the street address and the property valuation administrator's tax parcel number) and set out in count number __________ in a certain petition bearing Action No. __________ filed in the Circuit Court of ______________ County, Kentucky at ______________ (city) on ______________, 19 ____, wherein an enforcement of the liens of various delinquent tax bills is sought and a court order asked for the purpose of selling said real estate at a public sale for payment of all delinquent tax bills, together with interest, penalties, and costs. Publication of notice of such enforcement was commenced on the __________ day of ______________, 19____, in ______________ (here insert name of city).

Public records in the office of the county clerk or other public office indicate you may own or claim some interest in this parcel by reason of (Here insert specific reference to any public document of record as disclosed in a thorough examination of title status.).

Unless all delinquent city taxes are paid upon the parcel of real estate described in said petition and unless the owners of said real estate shall either have discharged any city tax liens or satisfied any judgment rendered on said liens in favor of the city, prior to the time of the enforcement sale of such real estate by the master commissioner, or within sixty (60) days after the sale if the purchase price at sale is less than the parcel's certified assessed value, the owner or any taxing authority or person of record claiming any *right, title, or interest in or to, or lien upon, any such parcel of real estate shall be forever barred and foreclosed of all right, title and interest and equity of redemption in and to such parcel of real estate; provided, however, that any such person shall have the right to file an answer in said suit on or before the ______ day of ____________, 19 ____, in the office of the circuit court clerk and copy thereof to the city of ____________, in accordance with the Kentucky rules of civil procedure, setting forth in detail the nature and amount of the interest and any defense or objection to the enforcement.*

Dated______________, 19____

____, *Kentucky*
(Name of city)

____
Attorney

____
____
____
Address

____
Phone

SECTION 6. A NEW SECTION OF KRS 91.481 TO 91.527 IS CREATED TO READ AS FOLLOWS:

(1) The court shall order the master commissioner to sell, pursuant to the provisions of KRS 426.560 through 426.715, except as otherwise provided in this section, each parcel separately by individual count number. The court shall further order that a report of the sale be made by the master commissioner to the court for further proceedings under the provisions of KRS 91.481 through 91.527.

(2) Prior to the master commissioner's setting each parcel for sale pursuant to court order, the collector shall file with the circuit court clerk an affidavit as to the most recent certified tax assessment of each parcel to be sold. The most recent certified assessment of a property shall be the property valuation administrator's last assessment which shall have been certified by the Kentucky department of revenue to the county clerk, as required by KRS 133.180.

(3) The most recent certified assessment as sworn to in the affidavit furnished by the collector shall be used in all actions brought under KRS 91.481 through 91.527 to determine the owner's equity of redemption as provided by KRS 91.511(2).

Section 7. KRS 91.481 is amended to read as follows:

As used in KRS 91.484 to 91.527 and 92.810, unless the context otherwise requires:

(1) "Collector" means [~~the collector of revenue of~~] any city of the first class.

(2) "Land taxes" mean general taxes on real property and include the taxes both on land and improvements thereon.

(3) "Master commissioner" or "circuit clerk" means the master commissioner and the circuit clerk of the judicial district in which any city of the first class is located.

(4) "Tax bill" means the statement of the land taxes and the lien thereon, levied and assessed by any taxing authority.

(5) "Tax lien" means the lien of any tax bill established pursuant to KRS 91.560.

Section 8. KRS 91.507 is amended to read as follows:

After the trial of the issues, the court shall render judgment as promptly as circumstances permit. If the court finds that no tax bill was delinquent when the suit was instituted or tried then the judgment of the court shall be that the cause be dismissed as to the parcels of real estate described in the tax bill. If the evidence warrants, the judgment may be for the principal amount of the delinquent tax bill upon the real estate upon which the suit was brought, together with interest, penalties, *and court costs* [~~appraiser's fee and cost~~] computed as of the date of the judgment. The court may decree that the lien upon the parcel of real estate described in the tax bill be enforced and such real estate be sold by the master commissioner and the cost continued for further proceedings as provided by KRS 91.484 to 91.527.

Section 9. KRS 91.511 is amended to read as follows:

(1) At any time prior to the sale of the property any person having any right, title or interest in, or lien upon, any parcel of real estate described in the petition may *discharge any city lien or satisfy a judgment in favor of the city as to said parcel of real estate* [~~redeem the parcel of real estate~~] by paying to the collector all of the sums mentioned therein, including the principal, interest, penalties, and costs then due.

(2) If the property is sold[~~, and~~] pursuant to the judgment or order of the court *and*[~~,~~] does not bring *its most recent assessed value certified by the department of revenue to the county clerk as required by KRS 133.180,* [~~two-thirds (⅔) of its appraised value,~~] the *owner* [~~defendant or his representative~~] may redeem it within sixty (60) days from the day of the sale, by paying the purchaser [~~or his representatives~~] the original purchase money and interest at *eighteen percent (18%)* [~~ten percent (10%)~~] per annum. Any

owner [~~defendant~~] who redeems his land shall take a receipt from the purchaser and lodge it with the clerk of the court. The receipt shall be entered upon the records of the court.

(3) The *owner* [~~defendant~~] may tender the redemption money to the purchaser, his agent or attorney, if found in the county where the land lies or in the county in which the judgment was obtained or order of sale made. If the money is refused, or if the purchaser does not reside in either of the counties, the *owner* [~~defendant~~] may, before the expiration of the right of redemption, go to the clerk of the court in which the judgment was rendered or the order made, and make affidavit of the tender and refusal, or that the purchaser or his agent or attorney do not reside in either of the counties. He may then pay to the clerk the redemption money, and the clerk shall give receipt therefor and file the affidavit among the papers of the action.

(4) When the right of redemption exists, the *owner* [~~defendant~~] may remain in possession of the property until it expires. Real property so sold shall not be conveyed to the purchaser until the right of redemption has expired. If it is redeemed, the sale shall, from and after the redemption or from and after the deposit of the redemption money with the clerk, be null and void.

(5) In the event of failure to redeem within the period provided for redemption, the *owner* [~~defendant~~] or any other party in interest shall be barred forever of all his right, title and interest in and to the parcel of real estate described in the petition.

(6) Upon redemption, as permitted by this section, the person redeeming shall be entitled to a certificate of redemption from the collector describing the property in the same manner as it is described in the petition and the collector shall thereupon note on his records the word "redeemed" and the date of the payment opposite the description of the parcel of real estate.

Section 10. KRS 91.514 is amended to read as follows:

(1) Upon the confirmation of the sale by the court and the expiration of the right of redemption provided in KRS 91.511, the title to any real estate purchased from the master commissioner pursuant to KRS *91.481* [~~91.484~~] to 91.527 shall vest in the purchaser. The title of the real estate shall be an absolute estate in fee simple, subject to rights of way of public utilities on which tax has been otherwise paid and subject to any lien of the United States of America, if any. All persons, including the Commonwealth of Kentucky, infants, incompetents, absentees, and nonresidents who may have had any right, title, interest, claim or equity of redemption in or to, or lien upon the land shall be barred of all right, title, interest, claim, lien or equity of redemption, and the court shall order that immediate possession of the real estate be given to the purchaser. *Any person so barred shall thereafter have as his exclusive remedy a claim for a share of the proceeds of the sale of the real estate by the master commissioner.*

(2) The title shall be subject to the liens of any tax bill which may have attached to the parcel of real estate prior to the time of the filing of the petition affecting such parcel of real estate not then delinquent, or which may have attached after the filing of the petition and prior to the expiration of the period provided for redemption and not including any answer to such petition.

(3) If the parcel of real estate is sold to the city, the title shall be free of any liens to the extent of the interest of any taxing authority in any such real estate.

(4) The title shall not be subject to the lien of special tax bills which have attached to the parcel of real estate but the lien of the special tax bill shall attach to the proceeds of the master commissioner's sale or to the proceeds of the ultimate sale of the parcel by the city.

(5) Failure of any party other than the purchaser to follow the procedures set out in KRS 91.481 to 91.527 shall not affect the vesting of title in the purchaser.

Section 11. KRS 91.517 is amended to read as follows:

(1) After the master commissioner sells any parcel of real estate, the court shall, upon its own motion or upon motion of any interested party, set the cause down for hearing to confirm the sale, even though such parcels are not all of the parcels of real estate described in the notice of the master commissioner's sale.

(2) If the sale is confirmed, the court shall order the proceeds of the sale applied in the following order:

(a) [~~To the payment of the cost of publication of the notice of the master commissioner's sale;~~

~~(b)~~] To the payment of all *costs including court costs, publication costs, and costs otherwise associated with the action and sale of the parcel described in the particular count* [~~costs including appraiser's fees~~]; and

(b)[~~(c)~~] To the payment of all tax bills adjudged to be due *on such property*, including principal, interest and penalties. If after such payment, there is any sum remaining of the proceeds of the commissioner's sale *of such property*, the court shall try and determine the other issues in the suit *with respect to that particular count* [~~in accordance with the trial~~]. If any of the answering parties has specifically appealed, the court, *provided that such answering parties have, prior to the appeal, executed an appropriate supersedeas bond,* shall retain custody of the funds pending disposition of the appeal, and upon disposition of the appeal shall make distribution. If there are not sufficient proceeds of the sale to pay all claims in any class described, the court shall order them to be paid [~~pro rata~~] in accordance with the priorities.

(3) If there are any funds remaining of the proceeds after the commissioner's sale and after the distribution of the funds as herein set out and no person entitled to any such funds, whether or not a party

to the suit, shall have appeared within two (2) years after the sale, and claimed the funds, they shall escheat to the state as provided in KRS Chapter 393.

Section 12. KRS 91.550 is amended to read as follows:

(1) The personal property of infants or persons judicially found to be of unsound mind shall not be distrained for taxes assessed on their real property.

(2) The real property of an infant or person judicially found to be of unsound mind shall not, during his disability, *after ascertainment of such disability by the city,* be sold *without the appointment of a guardian ad litem to represent the interest of such person,* for less than *its certified assessed value* [~~two-thirds (⅔) of its appraised value~~] on any judgment of sale rendered for taxes and costs alone, where the real property came to the infant or person of unsound mind by descent, distribution or devise, or by gift or settlement of some person then deceased, or where the real property belonged to the person of unsound mind before he became of unsound mind.

(3) No entire estate shall be sold, for taxes and costs chargeable to the owner of the particular estate, for less than *its certified assessed value* [~~two-thirds (⅔) of the appraised value~~], so as to defeat any reversion, remainder or other future estate outstanding, unless the reversioners, remaindermen or holders of other future estates are ascertained and are of full age, and no such entire estate shall ever be put up to sale unless the particular estate of the taxpayer has first been put up and has failed to bring the amount of the taxes and costs.

Section 13. The following sections of the KRS are repealed:

91.491 Petition — Action in rem — Joinder of tracts or parcels — Parties defendant — Answer — Default judgment.

91.497 Service of interested parties — Publication of notice of enforcement of lien.

91.530 Certificate of purchase of real property at tax sale.

SB 339, AN ACT relating to city civil service.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 90.310 is amended to read as follows:

(1) Any city of the second or third class may elect to operate under KRS 90.310 to 90.410, and, by ordinance, create a civil service commission which shall hold examinations as to the qualifications of applicants for municipal employment within the several departments of the city that are designated by ordinance. In cities of the second class in which a civil service ordinance was adopted before June 19, 1946 the city shall, by ordinance, create civil service classifications for all employes consistent with the actual work to be performed by such employes; in other cities of the second class, and in cities of the third class, the city may, by ordinance, classify employes and designate the class of employes it desires to include.

(2) The mayor, subject to the approval of the city legislative body, shall appoint *at least* three (3) *but no more than five (5)* persons who shall constitute the civil service commission of that city. Each appointee shall be at least thirty (30) years of age and not related by either blood or marriage to the mayor or any member of the city legislative body. The appointees shall originally be appointed one (1) for a term of [~~one (1) year, one (1) for a term of two (2) years and one (1) for a term of~~] three (3) years, *one (1) for a term of two (2) years and all remaining appointments shall be for a term of one (1) year,* [~~respectively,~~] and the successors to these appointees shall be appointed in like manner, each for a period of three (3) years and until his successor is appointed and qualified. A vacancy shall be filled for the unexpired term in the same manner as original appointments. At the time of any appointment, *if the mayor elects to appoint only three (3) commissioners,* not more than two (2) commissioners shall be adherents of the same political party. *If the mayor elects to appoint more than three (3) commissioners not more than three (3) commissioners shall be adherents of the same political party.* The appointee originally appointed for the term of three (3) years shall be secretary of the commission. Each appointee shall qualify by taking an oath of office as required by law. The salaries of the members of the commission may be fixed by the city legislative body.

(3) If the appointing authority of any city fails to appoint a civil service commission within thirty (30) days after he has the power to so appoint or after a vacancy exists, the mayor pro tem shall make the appointment and the appointee shall hold office until the expiration of the term and until his successor is appointed and qualified.

(4) The civil service commission shall make and enforce rules, not inconsistent with the provisions of KRS 90.310 to 90.410 or the ordinances of the city, for examinations and registrations therefor.

Section 2. KRS 90.350 is amended to read as follows:

(1) The appointing authority shall make all civil service appointments, and the appointments shall be made only from the lists of applicants certified to him by the civil service commission after examination.

Appointments shall be made only by the selection of one (1) of the three (3) holding the highest averages in the particular class and grade wherein the vacancy exists, except as provided in subsection (6) of this section.

(2) Whenever it is imperative to fill a vacancy in classified civil service before the commission can certify a list of as many as three (3) persons eligible for appointment after competitive examination, the appointing authority shall nominate a competent person from the same class or next lower rank to the commission for noncompetitive examination, and if certified by the commission as qualified after the noncompetitive examination he may be appointed provisionally to fill the vacancy until an appointment can be made after competitive examination. This provisional appointment shall continue only until a regular appointment can be made from the eligible list prepared by the commission, which eligible list shall be prepared within thirty (30) days after a vacancy occurs in cities of the second class, or within ninety (90) days after vacancy in cities of the third class.

(3) In case of great emergency and when no one upon the eligible list or by promotion from a lower rank is available, an appointment may be made by the appointing authority without examination, but in no case shall such appointment continue longer than thirty (30) days in cities of the second class, or sixty (60) days in cities of the third class, and in no case shall successive appointments be made of the same person, or other persons, to such vacancy.

(4) Temporary appointments made necessary by reason of illness or disability of regular employes shall continue only during such period of disability.

(5) The death of an employe shall not authorize an appointment without examination in cities of the second class.

(6) Whenever, from any cause, there shall be a vacancy in any of the classified services, the employe in said classification ranking next highest in seniority, if he chooses, shall succeed to and fill said vacancy, unless upon charges made by the city that said employe is not qualified to fill said vacancy, and after notice and upon trial to determine his qualifications in the same manner as is now required for the dismissal, suspension or reduction in grade or pay of an employe, it be established by the city that said employe has not the necessary qualifications to enable him to discharge the duties of the office or position in which the said vacancy occurs. Provided that in case of a vacancy in the classified service, where peculiar and exceptional qualifications of a particular professional or educational character are required, upon satisfactory evidence that for reasons stated in writing by the appointing authority, competitive examination in such case has failed to provide an eligible list; the commission may suspend the provisions requiring competitive examination under civil service.

(7) Where the service to be rendered by an appointee in the classified service is for a temporary period not to exceed thirty (30) days in cities of the second class, or sixty (60) days in cities of the third class, and the need of such service is imperative, the appointing authority may select for that temporary service any person on the list of those eligible for permanent appointment. Successive temporary appointments to the same position shall not be made under this provision. The acceptance or refusal by an eligible applicant of a temporary appointment shall not affect his standing on the register for permanent employment, nor shall temporary service be counted as part of the probationary service in case of subsequent appointment to a permanent position.

(8) No person shall be certified by the commission from an eligible list more than four (4) times to the same appointing authority for the same or similar position.

(9) The appointing authority may provide that all appointments for initial permanent employment may be probationary appointments for a period of not more than *twelve (12)* [~~six (6)~~] months, after which probationary period regular appointments shall be given to all probationary employes who are deemed to be satisfactory by the respective appointing authority.

The Committee on Cities reported Proposed Regulation 815 KRS 7:050 with the expression that the same should be disapproved.

The Committee on Counties and Special Districts reported **SB 352** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the calendar.

SB 352, AN ACT relating to counties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 147A.002 TO 147A.050 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (7) of this section, the department for local government annually shall conduct a program to instruct county clerks, sheriffs, jailers, and county treasurers respecting their duties and responsibilities in the collection and expenditure of public monies, subject to their control and jurisdiction.

(2) The department shall establish the content and publish instructional materials essential to implementing this program. Subsequent to every regular and extraordinary session of the general assembly, the department shall review and revise, if necessary, the program when it is found not to be consistent with state law.

(3) The department may assess a charge to any person requesting copies of instructional materials published pursuant to this section to cover actual costs of printing and handling these materials, except that no county official shall be charged for instructional materials provided for his use. Funds accruing from the sale of instructional materials shall be paid into the state treasury, and the state treasurer shall pay these funds into an account of the department to defray the costs of printing and handling these materials.

(4) The commissioner of the department may prescribe completion standards for this program, and may, subject to subsection (6) of this section, establish the number, type and sequence of instructional sessions to be conducted by the department; but the commissioner of the department shall not require the attendance of any county official, nor shall he prescribe any requirement or standard that restricts or impairs a county official or elected candidate in the lawful pursuit or conduct of the office to which he is elected.

(5) The department shall notify in advance each county clerk, sheriff, jailer, and county treasurer respecting instructional session pertinent to his office. Notification shall be by mail, and it shall be posted no later than twenty-one (21) days prior to the instructional session. At a minimum, the notice shall give the date, time, place and title of the instruction session.

(6) The department shall conduct this program by providing a one (1) day session at various locations throughout this state in order to minimize the travel expenses of those officials attending, provided that the aggregate number of all sessions shall not exceed five (5) during any calendar year. Except as provided in subsection (7) of this section, the department may commence instruction anytime during a calendar year.

(7) The department shall not conduct a program pursuant to this Act during any calendar year when a general election is held for every constitutional county office. The department, however, shall commence instruction for the succeeding year within eighty (80) days following said general election.

(8) Every county official who attends an instructional session shall be paid his actual and necessary expenses in attending from the operating funds of his office.

(9) In fulfilling the requirements of this section, the department shall confer with and coordinate its duties and responsibilities with the department of finance, the department of revenue and the auditor of public accounts. The department shall also confer with those state universities whose mission statements mandate their participation in the training of public officials, the state associations for those officials listed in subsection (1) of this section, and the Kentucky association of counties, respecting the implementation of this Act.

The Committee on Energy reported **HR 85**, **HR 86**, and **HR 91** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 85, A RESOLUTION commending the Board of Directors of the Tennessee Valley Authority for its decision with respect to electric power generation.

WHEREAS, the Tennessee Valley Authority did in 1982 cancel construction of three nuclear power plants in the interest of conservation and economic development, in view of escalating nuclear power costs, and in recognition of the abundance of coal in the TVA area;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Board members of the Tennessee Valley Authority be and hereby are commended for their courageous, forthright and conservative action in moving to stop multi-billion dollar development of nuclear power plants already under construction and to consider further use of coal, an abundant resource throughout most of the TVA area of service and a major industry in both Kentucky and Tennessee.

Section 2. That copies of this commendation be sent to the White House, to the members of the United States Congress from Kentucky and Tennessee, to the members of the TVA Board, and to Public Service of Indiana, and to the sponsors of the World's Fair International Energy Symposia Series.

HR 86, A RESOLUTION commending the International Energy Symposium on its recommendation as to the use of coal in the foreign aid program.

WHEREAS, at the International Energy Symposia Series II it was suggested that American coal be made available to developing countries as part of the United States foreign aid program, in the interest of reducing international dependence on oil supplies and increasing prospects for developing countries to meet their energy needs at affordable costs; and

WHEREAS, final symposia recommendations will be developed by a World Energy Congress for satellite broadcasting in May from 1982 World's Fair in Knoxville;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Symposia participants be and are hereby commended for their work in the first two symposia, for recognizing the special energy needs and interests of developing nations, and the potential contribution to those particular needs that can be met with coal; and that the program planners be encouraged to arrange for full exploration of this idea by the participants at the World Energy Congress.

Section 2. That copies of this resolution be sent to the planners of the 1982 World's Fair World Energy Congress planners in Knoxville, and to the U.S. participants in the Symposia and the World Energy Congress.

HR 91, A RESOLUTION supporting the two Kentucky coal conversion projects currently being evaluated for federal support.

WHEREAS, this nation is nearing the end of a decade in which the dominant force of change on the lives of people in many parts of the world was an oil embargo imposed by small mid-eastern countries that, working through large international conglomerates, has established a new order of energy relationships that has engendered international instabilities, recessions in the western world, lower productivity and lower standards of living for people of many lands; and

WHEREAS, the Commonwealth of Kentucky's response to the national dilemma posed by this embargo was both immediate and visionary with legislative research and development programs that provided a model of federal and state cooperation in preserving energy options vital to the welfare of this nation, but which, after nearly a decade, have left this nation vulnerable to international oil geo-politics and its people burdened with ever-increasing energy costs; and

WHEREAS, the Congress of the United States did, in the latter part of this decade, design and enact long-range plans for the use of energy alternatives developed from coal, oil shale and tar sands and new applications of solar energy, and did establish the United States Synthetic Fuels Corporation to combine the strengths of the public and private sectors for a more effective pursuit of national energy objectives; and

WHEREAS, that public corporation is now in the process of evaluating eleven private sector programs in alternative energy development, two of which are proposed by Kentucky energy enterprises and both of which would strengthen the market for Kentucky coal;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That full support be given by the legislative and executive branches of the federal government to the United States Synthetic Fuel Corporation and its program to develop alternatives to oil as an energy source and reduce America's dependence on imported oil.

Section 2. That the corporation is encouraged to accord full recognition to the unique characteristics of two current Kentucky programs both of which emphasize the value of cooperation between government, education and industry; one program representing the first governmentally funded synfuel research and development project, dating from the early 1970's, that is projected to become a private business after completion of its demonstration phase; and the other program representing a non-governmental, privately funded program that seeks governmental support only for the use of the product it has already developed.

Section 3. That Ashland Oil, the Department of Energy, and the University of Kentucky, and the people of Ashland and Lexington be commended for their eight years of effort that have brought Kentucky closer to being the home of the first $2 billion synfuel demonstration plant; and that Coaliquid, Inc. and the University of Louisville, and the people of Shelbyville and Louisville, be commended for their five years of effort which have seen the development of a liquid coal through the demonstration phase without the use of public monies.

Section 4. That copies of this resolution be sent to the President of the United States, members of Congress from the Commonwealth of Kentucky, the Chairman of the United States Synthetic Fuels Corporation, Ashland Oil, Coaliquid, to the Mayors of Ashland and Shelbyville and to the Presidents and Board Chairpersons of the University of Louisville and the University of Kentucky.

The Committee on Health and Welfare reported **SB 3, SB 155, SB 300** with Committee Amendment attached thereto, and **HB 819** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 3, AN ACT relating to physicians' assistants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in this Act:

(1) "Board" means the state board of medical licensure;

(2) "Physician's assistant" means a skilled person qualified by academic and clinical training who provides patient care services and other assistance to a physician's practice and under the supervision and direction of a licensed physician who is responsible for the performance of the assistant who possesses a certificate issued by the board;

(3) "Approved program" means a program for the education and training of physician's assistants that has been approved or has received preliminary approval by the American medical association committee on allied health education and accreditation;

(4) "Supervision" means the overseeing or participation in the work of another where all of the following are present:

(a) The continuous availability of direct communications either in person or by radio or by telephone between the physician's assistant and the licensed physician;

(b) The approval of the board of medical licensure with regard to the specific geographical areas within which the respective physicians' assistants may function, with the board giving due consideration to counties having critical need. Such areas of critical need shall be designated annually by the board with the advice and recommendation of the advisory council;

(c) The formal establishment by the supervising licensed physician of predetermined procedures consistent with guidelines approved by the board; and

(d) There are no more than two (2) physician's assistants under the supervision of any one (1) licensed physician, except those in training in an accredited institution.

SECTION 2. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

The board shall establish, with recommendations from the advisory council, rules and regulations, not inconsistent with this Act or any other provisions of the Kentucky Revised Statutes, for the certification and practice standards of physician's assistants, and shall issue certificates to physician's assistants meeting the established standards for certification. The board shall have the right to suspend or revoke a certificate when, with the recommendation of the advisory council, a physician's assistant fails to maintain the established standards for certification or is in violation of the rules and regulations established by the board. The rules and regulations shall include, but not be limited to, the following:

(1) The physician's assistant shall be supervised by, and responsible to, a practicing physician licensed in accordance with the provision of KRS Chapter 311;

(2) The physician's assistant shall be deemed not to be supervised in a facility in which the physician's assistant is the sole provider of patient care services;

(3) The services rendered by a physician's assistant shall be limited to the same area or field of practice for which the supervising physician is qualified;

(4) The licensed physician seeking to supervise a physician's assistant shall apply to and be approved to do so by the board;

(5) The physician's assistant shall have successfully completed an approved program and have successfully completed the proficiency examination which is offered by the national commission on certification of physician's assistants;

(6) The rules and regulations regarding the certification of physician's assistants shall be designed to determine that each physician's assistant has the necessary knowledge and skill to perform the duties assigned him in a safe and competent manner;

(7) The board may conduct any investigation necessary to determine the eligibility of an applicant for certification. An applicant and his supervising physician may be required to furnish additional documentation and information upon determination by the board that such documentation or information is necessary to evaluate the applicant's qualification;

(8) The board may promulgate regulations to assess the continued competence of a physician's assistant;

(9) The board shall establish reciprocity agreements with other states for the certification of physician's assistants who are certified in other states when the standards of those states exceed or are equivalent to those established by the board; and

(10) The board may, by regulation, prescribe a reasonable schedule of fees for examinations for the issuance of certificates and for the renewal of certificates. All fees, charges, or other moneys collected by the board shall be paid into the state treasury and credited to a trust and-agency fund of the board.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Physicians' assistants shall be prohibited from administering anesthesia except that physicians' assistants shall not be prohibited from administering local infiltration anesthesia or sedation as prescribed by a licensed physician or licensed dentist.

SECTION 4. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

A person shall not perform the duties of a physician's assistant, hold himself out as a physician's assistant, or use a title or designation indicating he or she is a physician's assistant except as authorized by this Act and the rules and regulations promulgated pursuant to this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) There is established an advisory council which shall advise the board on administrative regulations pertaining to the roles, functions and certification of the physician's assistant. The council shall consist of nine (9) members appointed by the governor to four (4) year terms, except that initial terms shall be appointed as follows: three (3) for a term of one (1) year; two (2) for a term of two (2) years; two (2) for a term of three (3) years; and two (2) for a term of four (4) years.

(2) Membership of the council shall include three (3) licensed and practicing physicians, one (1) of whom employs a physician's assistant, appointed from a list of three (3) names for each position submitted by the Kentucky medical association, one (1) hospital administrator appointed from a list of three (3) names submitted by the Kentucky hospital association, one (1) representative of health care facilities appointed from a list of three (3) names submitted by the Kentucky association of health care facilities, three (3) physician's assistants appointed from a list of four (4) names submitted by the Kentucky academy of physician's assistants, and one (1) consumer representative.

(3) The advisory council shall, within three (3) months after the appointment of the initial members of the council, develop and recommend to the board guidelines relating to the certification of physician's assistants.

(4) The council shall advise the board on revising physician's assistant certification standards and practice as national standards change, consistent with the trends and needs for health manpower in the Commonwealth of Kentucky.

Section 6. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and 311.990(8) to (11):

(1) "Board" means the state board of medical licensure;

(2) "President" means the president of the state board of medical licensure;

(3) "Secretary" means the secretary of the state board of medical licensure, or any assistant secretary thereof appointed as such by the board;

(4) "Regular license" means a license to practice medicine or osteopathy at any place in this state;

(5) "Limited license" means a license to practice medicine in a specific institution to the extent indicated in said license, except that no person who is the holder of a limited license on September 1, 1972, shall be restricted to an institutional practice without his consent;

(6) "Temporary permit" means a permit issued to a person who has applied for a regular license, and who appears (from verified information in the application) to the secretary to be qualified and eligible therefor;

(7) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing him to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days.

(8) Except as provided in subsection (9) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices or instrumentalities.

(9) The "practice of medicine or osteopathy" does not include the practice of Christian Science, the practice of podiatry as defined in KRS 311.380, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the performance of duties for which they have been trained by emergency medical technicians or medical emergency dispatchers certified by the department for human resources, *the practice of a physician's assistant as defined in Section 1 of this Act,* the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised or represented as being for the treatment, correction, cure or relief of any human ailment, disease, injury, infirmity or condition, in regular mercantile establishments, or the practice of midwifery by women; provided, however, that KRS 311.550 to 311.620 shall not be construed as repealing the authority conferred on the department for human resources by KRS chapter 211 to provide for the instruction, examination, licensing and registration of all midwives through county health officers.

(10) "Physician" means a doctor of medicine or a doctor of osteopathy.

(11) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation.

SECTION 7. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A certified physician's assistant is prohibited from any of the following under this Act:

(a) Any act which requires interpretation or judgment in determining the refractive state of the human eye;

(b) The prescribing of contact lenses for the human eye, or the doing of any act in the examination, fitting or adapting of contact lenses to the human eye which requires interpretation or judgment; and

(c) The prescribing of ocular exercises, visual training or orthoptics.

(2) This section shall not prohibit a physician's assistant from doing any of the following:

(a) The making of any measurement which does not require interpretation or judgment and consists of doing mechanical or manual acts in the gathering of data for evaluation by a physician, osteopath or optometrist;

(b) The insertion or removal of contact lenses from a patient's eye or the instruction of a patient as to proper lens insertion, removal and care;

(c) The modifying of the parameters of a contact lens under the direct supervision of a physician, osteopath or optometrist; and

(d) Any other act not prohibited by law.

Section 8. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be fined fifty dollars ($50.00) for the first offense and one hundred dollars ($100) for each subsequent offense.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be fined not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000) or imprisoned in the county jail for not less than three (3) months nor more than twelve (12) months, or both so fined and imprisoned. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each first violation of KRS 311.560 shall be punishable by a fine of not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000) or by imprisonment for not less than one (1) month nor more than twelve (12) months, or both. Each subsequent violation of KRS 311.560 shall constitute a felony and be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years, or both.

(5) Each violation of KRS 311.590 shall constitute a felony and shall be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or by imprisonment in a penitentiary for not less than one (1) nor more than three (3) years. Conviction, under this subsection, of a holder of a license or permit, shall result automatically in permanent revocation of such license or permit.

(6) Conviction of wilfully resisting, preventing, impeding, obstructing, threatening or interfering with the board or any of its members, or of any officer, agent, inspector or investigator of the board or the department for human resources, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be punishable by a fine of not less than fifty dollars ($50) nor more than three hundred dollars ($300) or by imprisonment for not more than thirty (30) days or both, and, for each subsequent offense, by a fine of not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000) or by imprisonment for not more than one (1) year, or both.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be punishable by a fine of not more than one hundred dollars ($100) or by imprisonment for not more than thirty (30) days, or both, and, for each subsequent offense, by a fine of not less than one hundred dollars ($100) nor more than two hundred fifty dollars ($250) or by imprisonment for not more than ninety (90) days or both.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) Any physician who fails to comply with the provisions of KRS 311.730, upon conviction thereof shall be fined not more than five hundred dollars ($500).

(11) Failure to procure the informed consent of those required to give their consent pursuant to KRS 311.740, prior to performing an abortion shall be punishable by imprisonment in the county jail not to exceed one (1) year or a fine not to exceed one thousand dollars ($1,000), or both.

(12) Any person convicted of violating KRS 311.750 shall be imprisoned in the penitentiary for a term of not less than ten (10) nor more than twenty (20) years.

(13) Any person who violates KRS 311.760(2) shall be guilty of a Class D felony.

(14) Any person who violates KRS 311.770 or 311.780 shall be imprisoned for a term not to exceed two (2) years or fined not more than five thousand dollars ($5,000), or both.

(15) A person convicted of violating KRS 311.780 shall be imprisoned in the penitentiary for not less than two (2) nor more than twenty-one (21) years.

(16) Any person who violates KRS 311.810 shall be imprisoned in the county jail for a term not to exceed twelve (12) months or fined a sum not to exceed one thousand dollars ($1,000), or both.

(17) Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606, shall be fined not less than one hundred dollars ($100), nor more than five hundred dollars ($500) for each failure to so report as described in KRS 311.606.

(18) Any person who violates KRS 311.652 or any rule or regulation of the board of medical licensure adopted pursuant to KRS 311.654 shall be guilty of a Class A misdemeanor.

(19) Any administrator, officer or employe of a publicly owned hospital or publicly owned health care facility who performs or permits the performance of abortions in violation of KRS 311.800(1) shall be guilty of a Class A misdemeanor.

(20) Any person who violates KRS 311.914 shall be guilty of a misdemeanor and on conviction shall be punished by a fine of not less than twenty-five dollars ($25.00) nor more than two hundred dollars ($200).

(21) Any person who violates Section 3 of this Act shall be guilty of a Class A misdemeanor.

SB 155, AN ACT relating to mental health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 210.410 is amended to read as follows:

(1) The secretary for human resources is hereby authorized to make state grants and other fund allocations from the department for human resources to assist any combination of cities and counties, or nonprofit corporations in the establishment and operation of regional community mental health and mental retardation programs which shall provide *mental health, mental retardation and substance abuse services* [~~at least the following services:~~

~~(a) Inpatient services;~~

~~(b) Outpatient services;~~

~~(c) Partial hospitalization services;~~

~~(d) Emergency services;~~
~~(e) Consultation and education services; and~~
~~(f) Mental retardation services~~].

(2) The *authorized* services *as provided under subsection (1) of this section* [~~required in subsection (1)(a), (b), (c), (d) and (e) of this section~~] shall be available to the mentally ill, drug abusers and alcohol abusers, and all age groups including children and the elderly, *provided that nothing shall prohibit any regional community mental health and mental retardation program from combining or sharing services with one (1) or more other such programs to avoid unnecessary duplication of services or to obtain greater economy of services.* [~~The services required in subsection (1)(a), (b), (c), (d), (e) and (f) shall be available to the mentally retarded.~~]

SB 300, AN ACT relating to the regulation of health facilities and health services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 216B.010 is amended to read as follows:

The general assembly finds that the licensure of health facilities and health services is a means to insure that the citizens of this Commonwealth will have safe, adequate and efficient medical care; that the proliferation of unnecessary health care facilities, health services and major medical equipment results in costly duplication and underuse of such facilities, services and equipment; and that such proliferation increases the cost of quality health care within the Commonwealth. [~~The general assembly further finds that a certificate of need law is required under the provisions of the national health planning resource development act of 1974, P.L. 93-641 as amended, as a condition for the receipt of federal funds.~~] Therefore, it is the purpose of this chapter to provide for the establishment of the Kentucky health facilities and health services certificate of need and licensure board for the [~~specific~~] purpose of licensing health facilities and services, and *acting on* [~~to review and approve~~] applications for certificates of need.

Section 2. KRS 216B.015 is amended to read as follows:

Except as otherwise provided, for purposes of this chapter, the following definitions shall apply:

(1) "Administrative regulation" means a regulation adopted and promulgated pursuant to the procedures in KRS Chapter 13.

(2) *"Affected persons" means the applicant; any person residing within the geographic area served or to be served by the applicant; any person who regularly uses health facilities within that geographic area; health facilities located in the health service area in which the project is proposed to be located which provide services similar to the services of the facility under review; health facilities which, prior to receipt by the agency of the proposal being reviewed, have formally indicated an intention to provide similar services in the future; the department and third party payors who reimburse health facilities for services in the health service area in which the project is proposed to be located.*

(3) "Applicant" means any person, [~~group,~~] health facility, or health service requesting a certificate of need or license [~~for a health facility~~].

(4)[~~(3)~~] "Board" means the Kentucky health facilities and health services certificate of need and licensure board.

(5)[~~(4)~~] "Capital expenditure" means an expenditure made by or on behalf of a health [~~care~~] facility which:

(a) Under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance; or

(b) Is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part thereof[~~; and~~

~~(c) Exceeds the expenditure minimum, substantially changes the bed capacity of the facility with respect to which the expenditure is made, or substantially changes the health services offered in or through such health facility~~].

(6)[~~(d)~~] *"Capital* expenditure minimum" [~~For purposes of this paragraph, the term~~] means *six* [~~one~~] hundred [~~fifty~~] thousand dollars *($600,000)* [~~($150,000)~~] for the twelve (12) month period beginning with the month in which this paragraph is enacted and *as adjusted annually* [~~for each twelve (12) month period~~] thereafter. In determining whether an expenditure exceeds the expenditure minimum, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the improvement, expansion, or replacement of any plant or any equipment with respect to which the expenditure is made shall be included. Donations of equipment or facilities to a health facility which if acquired directly by such facility would be subject to review under this chapter shall be considered a capital expenditure, and a transfer of the equipment or facilities for less than fair market value shall be considered a capital expenditure if a transfer of the equipment or facilities at fair market value would be subject to review.

(7)[~~(5)~~] "Certificate of need" means an authorization by the board to proceed *to acquire, to establish, to offer, to substantially change the bed capacity or to substantially change a health service as* [~~with any acquisition, initiation, construction or expansion~~] covered by this chapter.

(8)[~~(6)~~] "Department" means the department for human resources *which functions* [~~acting under its designation~~] as the state health planning and development agency [~~under the federal act~~].

(9)[~~(7)~~] "Federal act" means the national health planning resources development act of 1974, P.L. 93-641, *and subsequent amendments* [~~as amended~~].

(10) "Formal review process" means the ninety (90) day certificate of need review conducted by the board.

(11)[~~(8)~~] "Health facility" means any institution, place, building, [~~or~~] agency or portion thereof, public or private, whether organized for profit or not, used, operated or designed to provide medical diagnosis, treatment, nursing, rehabilitative or preventive care *and includes alcohol abuse, drug abuse, and mental health services* [~~to any person or persons~~]. This shall include, but shall not be limited to health facilities and health services commonly referred to as hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, nursing homes, personal care homes, intermediate care facilities, family care homes, *primary care centers, rural health clinics,* outpatient clinics, ambulatory care facilities, *ambulatory surgical centers,* emergency care centers and services, *ambulance services, non-emergency health transportation services, hospices,* community mental health and mental retardation centers, home health agencies, kidney disease treatment centers and free standing hemodialysis units, [~~health care services and facilities as specified by P.L. 93-641 and subsequent amendments,~~] health maintenance organizations, and others providing similarly organized services regardless of nomenclature.

(12)[~~(9)~~] "Health maintenance organization" means a public or private organization, organized under KRS 304.38-010 to 304.38-200, which:

(a) Is a qualified health maintenance organization under the federal act; or

(b) 1. Provides or otherwise makes available to enrolled participants health [~~care~~] services, including at least the following basic health [~~care~~] services: usual physician services, hospitalization, laboratory, x-ray, emergency and preventive services, and out of area coverage;

2. Is compensated (except for co-payments) for the provision of the basic health [~~care~~] services listed in subsection 1 of this section to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health [~~care~~] services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and

3. Provides physicians' services primarily;

a. Directly through physicians who are either employes or partners of such organization; or

b. Through arrangements with individual physicians or one (1) or more groups of physicians (organized on a group practice or individual practice basis).

(13)[~~(10)~~] "Health service area" means *a particular geographical area designated by the governor as a health service planning area* [~~an area designated pursuant to section 1511 of the federal act~~].

(14)[~~(11)~~] "Health services" means clinically related services provided within the Commonwealth to two (2) or more persons, including but not limited to diagnostic, treatment, or rehabilitative services, and includes alcohol, drug abuse, and mental health services.

(15) "Local health planning agency" means a health planning agency organized for a particular geographical area of the Commonwealth and designated by the governor.

[~~(12) "Institutional health services" means health services which:~~

~~(a) Are provided in or through a health facility; and~~

~~(b) Entail annual operating costs of at least the expenditure minimum. For purposes of this paragraph, the term "expenditure minimum" means seventy-five thousand dollars ($75,000) for the twelve (12) month period beginning with the month in which this paragraph is enacted, and each twelve (12) month period thereafter.~~]

(16)[~~(13)~~] "Major medical equipment" means equipment which is used for the provision of medical and other health services and which costs in excess of *the medical equipment expenditure minimum* [~~one hundred fifty thousand dollars ($150,000)~~] except that such term does not include medical equipment acquired by or on behalf of a *medical* [~~clinical~~] laboratory [~~to provide "clinical laboratory services" if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861(s) of such act~~]. *For purposes of this paragraph, "medical equipment expenditure minimum" means four hundred thousand dollars ($400,000) for the twelve (12) month period beginning with the month in which this paragraph is enacted and as adjusted annually thereafter.* In determining whether medical equipment has a value in excess of *the medical equipment expenditure minimum* [~~one hundred fifty thousand dollars ($150,000)~~], the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

[~~(14) "New institutional health service" means a proposed institutional health service which involves:~~

~~(a) The construction, development or establishment of a new health facility;~~

~~(b) Any expenditure by or on behalf of a health facility in excess of one hundred fifty thousand dollars ($150,000) or more which, under generally accepted accounting principles consistently applied, is a capital expenditure;~~

~~(c) A substantial change in bed capacity; or~~

~~(d) A substantial change in a health service.~~

~~(15) "Substantial change in a health service" means a definition adopted by administrative regulation promulgated under this chapter.~~]

(17) "Nonsubstantive review" means an expedited review conducted by the department of an application for a certificate of need as authorized under Section 16 of this chapter.

(18) "Operating cost expenditure minimum" means two hundred fifty thousand dollars ($250,000) for the twelve (12) month period beginning with the month in which this chapter is enacted and as adjusted annually thereafter.

(19) "Party to the proceedings" means the applicant for a certificate of need and any affected person who appears at a hearing on the matter under consideration and enters an appearance of record.

(20)[~~(16)~~] "Person" means an individual, a trust or estate, a partnership, a corporation, *an association* [~~(including associations, joint stock companies and insurance companies)~~], a *group,* state or political subdivision or instrumentality (including a municipal corporation) of a state.

(21) "Record" means, as applicable in a particular proceeding:

(a) The application and any information provided by the applicant at the request of a local health planning agency, the department or the board;

(b) Any information provided by a holder of a certificate of need or license in response to a notice of revocation of a certificate of need or license;

(c) Any memoranda or documents prepared by or for a local health planning agency, the department or the board regarding the matter under review which were introduced at any hearing;

(d) Any staff reports or recommendations prepared by or for a local health planning agency, the department or the board;

(e) Any recommendation or decision of the department;

(f) Any testimony or documentary evidence adduced at a hearing;

(g) The findings of fact and recommendation of the hearing officer; and

(h) Any other items required by administrative regulations promulgated by the board.

(22) "Secretary" means the secretary of the department for human resources.

(23)[~~(17)~~] "State health plan" means the document duly adopted by the *state* [~~statewide~~] health *planning* [~~coordinating~~] council *and approved by the governor* [~~in accordance with P.L. 93-641 and subsequent amendments.~~

~~(18) "Statewide health coordinating council" means the health planning council established by this chapter to comply with the federal act~~].

(24) "State health planning council" means the statewide health coordinating council or a state health planning agency established and designated by the governor.

(25) "Substantial change in a health service" means the addition of a clinically related service not previously provided in the health facility which entails an annual operating cost which exceeds the operating cost expenditure minimum, or the addition of a health service for which there is a component of the state health plan, or the addition of a health service subject to licensure under this chapter, or the reduction or termination of a health service which had previously been provided in the health facility.

(26)[~~(19)~~] "Substantial change in bed capacity" means the addition, reduction, relocation or redistribution of beds *by licensure classification* within a health [~~care~~] facility[~~; but this shall not be construed to prevent the redistribution, by categories of services of beds in an acute care hospital if the redistribution does not exceed ten percent (10%) of the bed capacity of the acute care hospital or ten (10) beds, whichever is less, over any two (2) year period~~].

(27)[~~(20)~~] "To acquire" means *to obtain from another* [~~the transfer~~] by purchase, lease or other comparable *arrangement* [~~arrangements~~] of the controlling interest of a capital asset or capital stock, or voting rights of a corporation[~~, from one person to another~~]. *An acquisition* [~~Such a transfer~~] is deemed to occur when *more than* fifty percent (50%) [~~or more~~] of an existing capital asset or capital stock or voting rights of a corporation is purchased, leased or acquired by comparable arrangement by one person from another person.

(28) To "batch" means to review in the same review cycle and, if applicable, give comparative consideration to all filed applications pertaining to similar types of services, facilities or equipment affecting the same health service area.

(29) "To establish" means to construct, develop, or initiate a health facility.

(30)[~~(21)~~] "To obligate" means to enter any enforceable contract for the construction, acquisition, lease, or financing of a capital asset. A contract shall be considered enforceable when all contingencies and

conditions in such contract have been met. An option to purchase or lease which is not binding, shall not be considered an enforceable contract.

(31)[~~(22)~~] "To offer" means, when used in connection with health services, *to hold a* [~~that the~~] health [~~care~~] facility or health maintenance organization [~~holds itself~~] out as capable of providing, or as having the means *of providing* [~~for the provision of~~], specified health services.

Section 3. KRS 216B.020 is amended to read as follows:

(1) The provisions of this Act that relate to the issuance of a certificate of need shall not apply to family care homes, ambulance services, or non-emergency health transportation services.

(2) Nothing in this chapter shall be construed to authorize the licensure, supervision, regulation or control in any manner of:

(a) Private offices and clinics of physicians, dentists, and other practitioners of the healing arts.

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists and other practitioners of the healing arts, provided that no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility.

(c) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employes, provided that such facility does not contain inpatient or resident beds for patients or employes who generally remain in the facility for more than twenty-four (24) hours.

(d) Establishments, such as motels, hotels and boarding houses which provide domiciliary and auxiliary commercial services, but do not provide *any* [~~medical, nursing personnel and~~] health related services *and*[~~, including, but not limited to,~~] boarding houses which are operated by persons contracting with the United States veterans administration for boarding services.

(e) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination *and recognized by that church or denomination.*

(f) [~~In counties containing cities of the first class,~~] On-duty police and fire department personnel assisting in emergency situations by providing first-aid or transportation when regular emergency units licensed to provide first-aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time.

[~~(2) The provisions of this chapter shall not apply to ambulances, ambulance service, or the providing thereof when a county, through appropriate action of the fiscal court, has elected not to be covered by the provisions of this chapter. If a county elects not to be covered by the provisions of this chapter:~~

~~(a) No ambulance or ambulance service based in that county shall be regulated pursuant to this chapter, regardless of where the ambulances may travel in the Commonwealth;~~

~~(b) Ambulance services presently licensed, holding certificates of need, or applying for same based in that county shall continue to be regulated by the board only if such is desired by the licensee or applicant, otherwise they shall cease to be regulated by the board as of the date the election is made by the county; and~~

~~(c) No punitive or other adverse action shall be taken by the board or any other agency of state government against any licensee, holder of a certificate of need, applicant for same, or ambulance service because the county in which it is based has elected not to be covered by the provisions of this chapter.~~

~~(3) Nothing in this section shall prevent:~~

~~(a) An ambulance operator from voluntarily seeking a license pursuant to the provisions of this chapter or being licensed or granted a certificate of need; or~~

~~(b) A county from withdrawing its election not to be covered by this chapter; or~~

~~(c) A county from reinstating its election not to be covered by this chapter.~~]

Section 4. KRS 216B.025 is amended to read as follows:

(1) There is hereby created the Kentucky health facilities and health services certificate of need and licensure board consisting of sixteen (16) members, to be appointed by the governor, for the purpose of carrying out the duties prescribed in this chapter. The board shall be appointed as follows: two (2) members from the Kentucky hospital association, two (2) members from the Kentucky medical association, two (2) members from the Kentucky association of health care facilities, one (1) member from the Kentucky nurses association, one (1) member from the Kentucky dental association, one (1) member from the Kentucky pharmaceutical association, and four (4) members who are consumers with an interest in education, rehabilitation, mental health, home care programs, or ambulatory care services and three (3) members who are consumers not associated with any health facilities or delivery of health services. The aforesaid associations shall nominate three (3) persons for each appointment to be made. The *state health planning* [~~statewide health coordinating~~] council shall nominate three (3) persons for each of the consumer positions. The governor shall appoint a chairman from the consumer members of the board. Members of the board shall serve for a term of four (4) years[~~; except that the first appointments shall be made as follows: four (4) for a term of one (1) year; four (4) for a term of two (2) years; four (4) for a term of three (3) years; and four (4) for a term of four (4) years~~].

In the event of a vacancy the person appointed shall serve only for the remaining portion of the vacated term. All members shall serve until such time as their successors are qualified and appointed.

(2) Board members shall receive fifty dollars ($50) per day for each day spent in active board duty and shall be reimbursed for allowable expenses for each day spent in active board duty.

(3) No person shall serve as a member of the board if he concurrently is a member of the board of a *local* health *planning* [~~systems~~] agency or a member of the *state health planning* [~~statewide health coordinating~~] council.

(4) A majority of the board members shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. No vacancy in the board shall impair the right of the remaining members to exercise all of the powers of the board.

(5) No member of the board may, in the exercise of any function described in this chapter, vote on any matter before the board respecting any applicant, licensee or holder of a certificate of need with which such member has or, within the twelve (12) months preceding the vote, had any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. A member who has or has had such a relationship with the applicant, licensee or holder of a certificate of need involved in a matter before the board shall make a written disclosure of the relationship before any action is taken by the board, and such disclosure shall become part of the record of the proceeding.

Section 5. KRS 216B.035 is amended to read as follows:

(1) The secretary [~~of the department for human resources~~] shall serve in an advisory capacity to the board and shall provide the board such administrative staff assistance as may be required by the board to carry out its duties and functions under the provisions of this chapter.

(2) The secretary [~~of the department for human resources~~] shall appoint an executive director. The executive director shall keep a full and true record of all the proceedings of the board, of all books and papers ordered filed by the board, and of all licenses, exemptions, and certificates of need issued by the board, and shall be responsible to it for the safe custody and preservation of all [~~such~~] documents in its office. Under the direction of the board, the executive director shall have general charge of its office, superintend its clerical business and perform such other duties as the board prescribes. He may administer oaths in all parts of the state, where the exercise of that power is properly incidental to the performance of his duties of those of the board.

Section 6. KRS 216B.040 is amended to read as follows:

(1) The board shall have *four (4)* [~~three (3)~~] separate and distinct functions:

(a) To issue *or* [~~,~~] deny [~~and withdraw~~] certificates of need in accordance with the provisions of this chapter, *except as to those applications which have been granted nonsubstantive review status* [~~the federal act and regulations promulgated pursuant thereto~~];

(b) *To revoke certificates of need;*

(c) To issue, deny, revoke, modify, *or* suspend [~~or probate~~] licenses *or issue provisional licenses in accordance with the provisions of this chapter*[~~, and to inspect health facilities and health services~~]; and

(d)[~~(c)~~] To enforce, through legal actions on its own motion, the provisions of this chapter *and its orders and decisions issued pursuant to this chapter.*

(2) *The board shall:*

(a) Issue administrative regulations through the secretary:

1. To establish the certificate of need review procedures, including but not limited to, application procedures, notice provisions, procedures for review of completeness of applications, and timetables for review cycles.

2. Establish criteria for issuance and denial of certificates of need which shall be limited to the following considerations:

a. Consistency with plans. The proposal should be consistent with the state health plan. Consideration should be given to other applicable appropriately adopted plans developed by local health planning agencies. In case of inconsistency between the state health plan and other plans considered, the state health plan shall prevail. The fact that the state health plan does not address the specific type of proposal being reviewed does not constitute grounds for disapproval of the proposal;

b. Need and accessibility. The proposal should meet an identified need in a defined geographic area and be accessible to all residents of the area;

c. Interrelationships and linkages. The proposal should serve to accomplish appropriate and effective linkages with other services, facilities, and elements of the health care system in the region and state, accompanied by assurance of effort to achieve comprehensive care, proper utilization of services and efficient functioning of the health care system;

d. Costs, economic feasibility, and resources availability. The proposal, when measured against the cost of alternatives for meeting needs, is judged to be an effective and economical use of resources, not only in terms of capital investment, but also in terms of ongoing requirements for health manpower and operational financing;

e. Quality of services. The applicant should be prepared to and capable of undertaking and carrying out the responsibilities involved in the proposal in a manner consistent with appropriate standards and requirements assuring the provision of quality health care services; and

f. Special needs and circumstances of health maintenance organizations. In the case of a health maintenance organization or an ambulatory care facility or health facility controlled directly or indirectly by a health maintenance organization, the proposal should be consistent with the special needs and circumstances of health maintenance organizations.

3. To establish licensure standards and procedures to ensure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:

a. Patient care standards and safety standards, minimum operating standards, minimum standards for training, required licenses for medical staff personnel and minimum standards for maintaining patient records;

b. Licensure application procedures;

c. Classification of health facilities and health services according to type, size, range of services and level of care provided; and

d. Licensure renewal procedures.

4. To define a substantial change in a project which will require a subsequent review of an approved certificate of need and to establish a procedure for conducting such subsequent review.

(b) Conduct public hearings, as requested, in respect to certificate of need applications, revocations of certificates of need, and denials, suspensions, modifications, or revocations of licenses.

(3) The board shall have the authority to:

(a) Issue *such other* administrative regulations through the secretary *as are necessary for the proper administration of this chapter* [~~of the department for human resources~~];

(b) Authorize its agents or representatives to enter upon the premises of any health facility for the purpose of inspection, and under such conditions as are set forth in administrative regulations promulgated by the board;

(c) Administer oaths, issue subpoenas, subpoenas duces tecum, and all necessary process in proceedings brought before or initiated by the board, and such process shall extend to all parts of the Commonwealth. Service of process in all proceedings brought before or initiated by the board may be made by *certified* [~~registered~~] mail, or in the same manner as other process in civil cases, as the board directs;

(d) Establish by administrative regulation [~~and collect~~] reasonable application fees for certificates of need and licenses;

(e) Appoint technical advisory committees as are deemed necessary to administer the provisions of this chapter; and

(f) *Establish a mechanism for issuing advisory opinions to prospective applicants for certificates of need regarding the requirements of a certificate of need* [~~Notwithstanding the provisions of this chapter, to adopt and promulgate through the secretary of the department for human resources administrative regulations which will insure continued compliance with the minimum requirements set forth under the federal act and the regulations promulgated pursuant to the federal act~~].

SECTION 7. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The department shall:

(a) Make recommendations to the board concerning actions on certificates of need when applications require formal review;

(b) Make recommendations to the board concerning the revocation of certificates of need; and

(c) Make recommendations to the board concerning licenses.

(2) The department shall have authority to:

(a) Grant or deny nonsubstantive review status of certificate of need applications pursuant to Section 16 of this Act; and

(b) Issue or deny certificates of need, when nonsubstantive review status has been granted, after considering the criteria as established by the board and staff recommendations and, when applicable, recommendations of the local health planning agency.

Section 8. KRS 216B.045 is amended to read as follows:

Every order, decision, finding, license or certificate issued or approved by the board *or department* under any of the provisions of this chapter shall be in writing and shall be entered on the records of the board *or department*. [~~A certificate under the seal of the board that any such order, decision, finding, or certificate has not been probated, suspended, modified, revoked, vacated or set aside shall be received in any proceeding as evidence of the facts stated therein.~~]

Section 9. KRS 216B.050 is amended to read as follows:

The board *or department* may compel obedience to its lawful orders by mandamus, injunction or other proper proceedings in the Franklin Circuit Court or any other circuit court of competent jurisdiction. Every order entered by the board *or department* shall continue in force until the expiration of the time, if any, named by the board *or department* in the order, or until revoked or modified [~~by the board~~].

Section 10. KRS 216B.055 is amended to read as follows:

Notice of decisions and orders made by the board *or department* under the provisions of this chapter shall be made by certified mail addressed to the last known address on file with the *department or* board, or by personal service. *Such notice shall be mailed or personal service shall be obtained no later than fifteen (15) working days after the decision or order. Notice shall be complete and effective upon mailing.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Unless otherwise provided in this chapter, no person shall do any of the following without first obtaining a certificate of need:

(a) Establish a new health facility;

(b) Obligate a capital expenditure which exceeds the capital expenditure minimum;

(c) Make a substantial change in the bed capacity of a health facility;

(d) Make a substantial change in a health service;

(e) Acquire major medical equipment;

(f) Alter a geographical area which has been designated on a certificate of need or license;

(g) Transfer an approved certificate of need for the establishment of a new health facility or the replacement of an existing facility.

(2) No person shall separate portions of a single project into components in order to evade any expenditure minimum set forth in this chapter. For purposes of this chapter, the acquisition of one (1) or more items of functionally related diagnostic or therapeutic equipment shall be considered as one (1) project.

(3) No person shall have ex parte contact with any member of the board regarding a certificate of need application from the commencement of the review cycle to the final decision. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(4) No person shall obligate a capital expenditure in excess of the amount authorized by an existing certificate of need unless he has received an administrative escalation from the board as prescribed by regulation.

(5) No person shall proceed to obligate a capital expenditure under an approved certificate of need if there has been a substantial change in the project.

(6) A certificate of need is issued for a specific location and, when applicable, for a designated geographical area.

SECTION 12. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Applications for certificates of need shall be submitted according to timetables established by the board by administrative regulation. Once an application has been deemed complete pursuant to the board's adopted regulations, notice shall be given as provided by the regulations of the beginning of the review, the proposed review schedule, and the right to request a hearing. The review shall be deemed to commence on the date of notice. No review shall take longer than ninety (90) days from the commencement of the review unless the applicant agrees to a deferral of action.

(2) Applications proposing the same or similar types of services, facilities, or equipment shall be batched for review purposes, excluding those granted nonsubstantive review status. The board shall by regulation establish appropriate batching groups to assure that applications for each type of service, facility, or equipment will be eligible for consideration at set intervals. In each review batch, the board shall review and, if appropriate, compare all timely filed applications proposing similar types of services, facilities, or equipment in the same health service areas.

Section 13. KRS 216B.065 is amended to read as follows:

(1) Before any person enters into a contractual agreement to acquire an existing health [~~care~~] facility [~~or major medical equipment~~] which arrangements will require the obligation of a capital expenditure *which exceeds the capital expenditure minimum, or to acquire major medical equipment*, such person shall notify the board of the person's intent to acquire such a facility or major medical equipment and of the services to be offered in the facility and its bed capacity or the use of such medical equipment. *The* [~~Such~~] notice shall be in writing and shall be *filed* [~~made~~] at least thirty (30) days prior to *entry into a contract* [~~any contractual arrangements~~] to acquire the *health* facility or major medical equipment with respect to which the notice *is* [~~was~~] given.

(2) A certificate of need shall be required for the acquisition of a health [~~care~~] facility or major medical equipment, only if:

(a) The notice required in this section is not filed; or

(b) The board finds within thirty (30) days after the date it received *such* [~~a~~] notice [~~in accordance with subsection (1) of this section with respect to such acquisition,~~] that the health services or bed capacity of the health [~~care~~] facility will be substantially changed in being acquired, or in the case of major medical equipment, *the* [~~such~~] equipment will be used to provide services for inpatients of a health care facility.

(3) Donations and leases of major medical equipment and health [~~care~~] facilities shall be considered acquisitions of [~~such~~] equipment and facilities, and an acquisition of medical equipment *or a facility* for less than fair market value shall be considered an acquisition [~~of major medical equipment~~] if *the* [~~its~~] fair market value exceeds the expenditure minimum.

(4) Before any health facility reduces or terminates a health service or reduces its bed capacity, the facility shall notify the board of its intent. The notice shall be in writing and shall be filed at least thirty (30) days prior to the reduction or termination. A certificate of need shall be required for the reduction or termination only if the notice required in this section is not filed.

SECTION 14. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) Before a health facility acquires major medical equipment to be used solely for research, offers a health service solely for research or makes or obligates a capital expenditure solely for research, which exceeds the prescribed minimum, the health facility shall notify the board of its intent to do so. Such notice shall be in writing and shall be made sixty (60) days prior to the acquisition, offering, or making or obligation of the expenditure with respect to which notice is given. The notice shall state the use to be made of the major medical equipment, health service or capital expenditure.

(2) A certificate of need shall be required for the acquisition of major medical equipment solely for research, the offering of a health service solely for research or the making or obligating of a capital expenditure solely for research by a health facility, only if:

(a) The notice required by this section is not filed; or

(b) The board finds within sixty (60) days after it receives notice that the project or transaction for which notice is given will affect the charges of the facility for the provision of medical or other patient care services other than services which are included in the research, will substantially change the bed capacity of the facility, or will substantially change the medical or other patient care services of the facility which were offered before the acquisition, offering, making or obligation.

(3) If major medical equipment is acquired, a health service is offered or a capital expenditure is made or obligated and, pursuant to this section, no certificate of need is required, such equipment or service or facilities acquired through the capital expenditure may not be used in a manner which would affect the charges of the facility for the provision of medical or other patient care services other than that included in the research, substantially change the bed capacity of the facility or substantially change the medical or other patient care services of the facility unless a certificate of need is issued.

(4) For purposes of this section, "solely for research" means patient care provided on an occasional and irregular basis and not as part of a research project.

Section 15. KRS 216B.070 is amended to read as follows:

A certificate of need shall not be required of a health maintenance organization *for the establishment of a health facility, or the acquisition of major medical equipment, or the obligation of capital expenditures for the provision of a health service* [~~for the offering of an inpatient institutional health service, or the acquisition of major medical equipment for the provision of a new institutional health service, or the obligation of capital expenditures for the provision of an institutional health service~~] except as may be allowed by the federal act or the regulations issued pursuant to the federal act. A health maintenance organization shall file an application for an exemption with the board pursuant to administrative regulations promulgated by the board.

Section 16. KRS 216B.085 is amended to read as follows:

(1) Any time *no later than* [~~within~~] thirty (30) days *after* [~~of~~] the date the review commences, any *affected* person [~~directly affected by the review or any applicant seeking an exemption pursuant to this chapter,~~] may request a public hearing. Hearings shall be before a quorum of the board, or at the request of the chairman, before a hearing officer designated by the secretary [~~of the department for human resources~~], and shall be in addition to any hearing which may have been conducted before *a local* [~~the~~] health *planning* [~~systems~~] agency. The hearing officer shall be authorized to administer oaths, issue subpoenas, subpoenas duces tecum, and all necessary process in such proceedings. [~~For purposes of this section, "persons directly affected" include, at a minimum, the applicant whose proposal is being reviewed, a third party payor, the health systems agency for the area within which the proposed project is to be located, health care facilities and health maintenance organizations located in the health service area within which the proposed project is to be located and members of the public who are to be served by the proposed project.~~]

(2) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of *the* [~~such~~] hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(3) At the hearing, any *party to the proceedings* [~~person~~] shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the matter which is the subject of the hearing *and* [~~; any person directly affected~~] may conduct reasonable cross examination under oath

of persons who make factual allegations relevant to such matters. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's decision is appealed pursuant to this chapter.

(4) [~~Any person directly affected who appears on record at the hearing or, in the absence of a hearing, any person directly affected who submits written information to the board shall be deemed to be a party to the proceedings.~~

~~(5)~~] Any decision of the board to issue *or* [~~,~~] deny [~~or withdraw~~] a certificate of need [~~or to approve or disapprove an application for an exemption under this chapter~~] shall be based solely on the record established with regard to the matter. [~~The record shall include in addition to any other items required by administrative regulations promulgated by the board:~~

~~(a) The application filed and any information provided by the applicant at the request of a health systems agency or the board;~~

~~(b) Any information provided by a holder in response to a notice of intent to withdraw a certificate of need;~~

~~(c) Any staff reports, memoranda or documents prepared by or for a health systems agency or the board regarding the matter under review which were introduced at any hearing;~~

~~(d) The recommendation made by a health systems agency to the board;~~

~~(e) Any information provided by affected persons which was introduced at a hearing;~~

~~(f) Any other evidence admitted in a hearing held with respect to the matter under review; and~~

~~(g) The findings of fact and recommendation of the hearing officer.~~

~~(6) The board's decision shall be consistent with the state health plan.~~

~~(7)~~] All decisions granting, denying *or* [~~,~~] modifying [~~or withdrawing~~] a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the decision *and the decision shall be final for purposes of judicial appeal unless a request for reconsideration is filed. An approved certificate of need shall be issued forty (40) days after notice of the board's decision unless a request for reconsideration is filed or a judicial appeal is taken.* [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative appeal is taken.~~

~~(8) After the commencement of a hearing before the board and before a decision is made on an application for, or a proposed withdrawal of, a certificate of need, there shall be no ex parte contacts with regard to the pending action between any board member or other person associated with the board who exercises any discretion respecting the application or proposed withdrawal; and~~

~~(a) The applicant for the certificate of need or the holder of the certificate proposed to be withdrawn; or~~

~~(b) Any person acting in behalf of such applicant or holder; or~~

~~(c) Any person opposed to the issue of the certificate of need or in favor of the withdrawal of the certificate.~~

~~In the event that an ex parte contact occurs, it shall be promptly reported to the board and made a part of the record.~~]

SECTION 17. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) The board may revoke a certificate of need for failure of the holder of the certificate to implement the project in accordance with timetables for implementation established by administrative regulation of the board. The board shall give notice to the holder of the certificate of its initial decision to revoke the certificate of need. The board's initial decision to revoke a certificate of need shall become final after thirty (30) days unless a hearing is requested. The executive director shall give notice to the holder of the certificate of a decision which has become final under the provisions of this subsection.

(2) The holder of the certificate of need to be revoked may request in writing a public hearing in respect to an initial decision by the board to revoke a certificate of need within thirty (30) days of the date of notice of such initial decision. Failure to request a hearing shall constitute a waiver of any right to reconsideration or judicial appeal of a final board decision to revoke a certificate of need.

(3) The hearing shall be before the board, or at the request of the chairman, before a hearing officer designated by the secretary. The hearing shall be no later than thirty (30) days after the request for the hearing is filed.

(4) In the event a hearing is requested, the executive director shall set a date, time and place for a public hearing. Reasonable notice of such hearing shall be given to all affected persons in accordance with administrative regulations promulgated by the board.

(5) At the hearing, any party to the proceedings shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the revocation of the certificate of need, and may conduct reasonable cross examination under oath of persons who testify. A full and complete record shall be maintained of the hearing, and all testimony shall be reported but need not be transcribed unless the board's final decision is appealed pursuant to this chapter.

(6) After the issuance of an initial decision to revoke a certificate of need and before a final decision is made, no person shall have ex parte contacts with members of the board regarding the revocation. In the event an ex parte contact occurs, it shall be promptly made a part of the record.

(7) If a hearing is requested after notice of the board's initial decision to revoke a certificate of need, the board shall make a final decision at its next regularly scheduled meeting after the hearing. Any final decision revoking a certificate of need shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the parties to the proceedings of the final decision.

(8) Any final decision of the board to revoke a certificate of need shall be based solely on the record established with regard to the revocation.

(9) Except as provided in subsection (1) of this section, reconsideration pursuant to Section 18 of this Act or judicial appeal pursuant to Section 20 of this Act is available with regard to a final decision of the board to revoke a certificate of need.

Section 18. KRS 216B.090 is amended to read as follows:

(1) Any *party to the proceedings* [~~person~~] may, for good cause shown, request in writing a hearing for purposes of reconsideration of a [~~board~~] decision *of the board pertaining to a certificate of need or the revocation of a certificate of need* under such procedures as are promulgated by administrative regulation. The request shall be filed within fifteen (15) days of the *notice of the* [~~board's~~] decision *and the board shall consider the request at its next regularly scheduled meeting.* For purposes of this section there shall be deemed to be "good cause shown" if the request for a public hearing:

(a)[~~(1)~~] Presents significant, relevant information not previously available for consideration by the board; or

(b)[~~(2)~~] Demonstrates that there have been significant changes in the factors or circumstances relied upon by the board in reaching its decision; or

(c)[~~(3)~~] Demonstrates that the board has materially failed to follow its adopted procedures in reaching its decision.

(2) If a public hearing is granted [~~by the board~~], it shall be held within thirty (30) days after the decision to grant the request for reconsideration [~~is filed~~]. The hearing shall be conducted in accordance with the provisions of this chapter. *The board shall make its decision on reconsideration at its next regularly scheduled meeting after the public hearing, and shall give notice thereof. The decision of the board shall be final for purposes of judicial appeal. An approved certificate of need shall be issued forty (40) days after notice of the board's decision unless a judicial appeal is taken.*

Section 19. KRS 216B.095 is amended to read as follows:

(1) *An applicant* [~~The board~~] may waive the procedures for [~~a~~] formal review of an application for a certificate of need and *request* [~~substitute therefor~~] a nonsubstantive review *as provided below.* The *department* [~~board~~] shall grant or deny nonsubstantive review status within fifteen (15) days of the date the application is *deemed completed and* [~~filed. The board~~] shall give notice *to all affected persons of* [~~as to~~] its decision to conduct a nonsubstantive review [~~to all affected persons~~]. *Any affected person other than the applicant may request a hearing before the department or its designated hearing officer by filing a request for a hearing with the department within fifteen (15) days of the department's notice to conduct a nonsubstantive review. As applicable, hearings shall be conducted as provided in Section 16 of this Act. Based solely upon the record established with regard to the matter.* The *department* [~~board~~] shall issue or deny a certificate of need on all projects assigned nonsubstantive review status within forty-five (45) days of the determination of nonsubstantive review status. If the *application* [~~applicant's project~~] is denied nonsubstantive review status *it will automatically be placed in the formal review process* [~~or is denied a certificate of need following a nonsubstantive review, the applicant may apply for a certificate of need under the formal procedures outlined under this chapter~~].

(2) *If a certificate of need is denied following a nonsubstantive review, the applicant may request that the application be placed in the next cycle of the formal review process. Nothing in this subsection shall require an applicant to pursue a formal review before obtaining judicial review pursuant to Section 21 of this Act* [~~A project which would normally be subject to formal review shall be assigned nonsubstantive review status if the proposed project involves capital expenditures and/or modification of health facilities or services in emergency circumstances that pose a threat to public health. Emergency circumstances shall include acts of God, fire, vandalism, structural and/or mechanical failure and other similar situations which if not promptly acted upon would pose a threat to public health. Any applicant acting under this section must file within thirty (30) days of such occurrence, an application with the board for a nonsubstantive review~~].

(3) The *department* [~~board~~] shall grant nonsubstantive review status *to* [~~and, notwithstanding the criteria adopted by the board, shall approve~~] an application for a certificate of need [~~for a capital expenditure~~] which is required:

(a) In emergency circumstances which, if not promptly acted upon, would pose a threat to the health and safety of the patients. Emergency circumstances shall include acts of God, fire, vandalism, structural or mechanical failure and other similar situations. Any applicant acting under this subsection may proceed

to relieve circumstances threatening the health and safety of the patients, provided the department is consulted prior to such action and the application is submitted within thirty (30) days of the occurrence of the emergency; or

(b)[~~(a)~~] To eliminate or prevent imminent safety hazards as defined by federal, state, or local fire, building, or life safety codes or regulations; or

(c)[~~(b)~~] To comply with licensure standards; or

(d)[~~(c)~~] To comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the social security act or payments under a state plan for medical assistance approved under title XIX of such act*; or* [~~.~~

~~Unless the board finds the facility or service with respect to which such capital expenditure is proposed to be made is not in fact so required; or to the extent the facility or services contemplated by the proposed capital expenditure is addressed in the state health plan, the board finds that such capital expenditure is not consistent with the state health plan. An application for a certificate of need approved under this section shall be approved only to the extent that the capital expenditure is so required.~~

~~(4) The board shall grant nonsubstantive review status for a capital expenditure which is required:~~]

(e)[~~(a)~~] To replace or repair worn equipment provided such worn equipment shall have been used by the applicant in a health facility for five (5) years or more; or

(f)[~~(b)~~] To make repairs, alterations or improvements to *the physical plant of* a health facility which do not result in a substantial change in beds, [~~or~~] a substantial change in health services, [~~;~~] or *the addition of equipment. In no event shall repairs, alterations or improvements be construed to mean the replacement or the relocation of a health facility; or*

(g)[~~(c)~~] In such other circumstances as the board may by regulation prescribe.

(4) Notwithstanding any other provision to the contrary in this Act, the department shall issue a certificate of need for a project required for the purposes set out in (a) through (d) of subsection (3) hereof unless it finds the facility or service with respect to which such capital expenditure is proposed to be made is not in fact so required; or to the extent the facility or services contemplated by the proposed capital expenditure is addressed in the state health plan, the department finds that such capital expenditure is not consistent with the state health plan.

(5) The decision of the department issuing or denying a certificate of need pursuant to this section shall be final for purposes of judicial appeal unless the applicant requests the application be placed in the formal review process. An approved certificate shall be issued forty (40) days after notice of the department's decision unless a judicial appeal is taken.

[~~Provided, however, in conducting such review the board shall consider the criteria used for formal reviews.~~]

Section 20. KRS 216B.105 is amended to read as follows:

(1) Unless otherwise provided in this chapter, no person shall operate any health facility [~~or health service~~] in this Commonwealth without first obtaining a license issued by the board which license shall specify the kind or kinds of health services the facility is authorized to provide. A license shall not be transferable *and shall be issued for a specific location and, if specified, a designated geographical area.*

[~~(2) No license shall be issued to an applicant who is in violation of the provisions of this chapter.~~

~~(3) The board shall adopt and promulgate by administrative regulations licensure standards and procedures which shall insure safe, adequate and efficient health facilities and health services. These regulations shall include, but need not be limited to:~~

~~(a) Patient care standards and safety standards, minimum operating standards, minimum standards for training and required licenses for medical staff personnel, and minimum standards for maintaining patient records;~~

~~(b) Application procedures;~~

~~(c) Classification and categorization of health facilities and health services according to character, size, range of services provided, type and level of care required;~~

~~(d) Classification or category of health facilities and health services which must be met in order to receive a license to operate and maintain health facilities and health services;~~

~~(e) Renewal procedures;~~

~~(f) Fees and charges.~~]

(2)[~~(4)~~] The board shall have the authority to deny, *revoke* [~~suspend, probate~~], modify or *suspend* [~~revoke~~] a license in any case in which it finds that there has been a substantial failure to comply with the provisions of this chapter or the rules and regulations promulgated hereunder. Such denial, *revocation* [~~suspension~~], modification, [~~probation,~~] or *suspension* [~~revocation~~] shall be effected by mailing to the applicant or licensee, by certified mail, a notice setting forth the particular reasons for such action. Such denial, *revocation* [~~suspension~~], modification, [~~probation~~] or *suspension* [~~revocation~~] shall become final and conclusive thirty (30) days after *notice is given* [~~the mailing~~] unless the applicant or licensee, within said thirty (30) day period, shall *file a* request in writing *for* a hearing [~~before the board~~].

(3) The hearing shall be before the board, or at the request of the chairman, by a hearing officer designated by the secretary.

[~~(5) Hearings pertaining to licensure shall be before a quorum of the board, or at the request of the chairman, by a hearing officer designated by the secretary of the department for human resources.~~

~~(a) Hearing officers appointed under this section shall have the power to issue subpoenas and administer oaths.~~]

(4)[~~(b)~~] If the hearing is before a designated hearing officer, within thirty (30) days from the conclusion of the hearing, the hearing officer shall transmit his findings and recommendations *to the board,* with a synopsis of the evidence contained in the record and a statement of the basis of his findings [~~to the board~~]. The applicant or licensee shall be entitled to be represented at the hearing in person or by counsel, or both, and shall be entitled to introduce testimony by witnesses or, if the board so permits, by depositions. A full and complete record shall be kept of all hearings, and all testimony shall be reported but need not be transcribed unless the decision is appealed pursuant to this chapter. The board *may adopt the hearing officer's findings and recommendations or* [~~shall~~] prepare written findings of fact and state the basis for its decision which shall become part of the record of the proceedings.

(5)[~~(6)~~] All [~~hearing~~] decisions revoking, suspending, [~~probating,~~] modifying or denying licenses shall be made by the board in writing and shall be recorded in the minutes of the board. The board shall notify the applicant or licensee of the decision. [~~The decision shall become final and conclusive thirty (30) days after notice thereof is made unless an administrative review is taken.~~]

(6) The decision of the board shall be final for purposes of judicial appeal upon notice of the board's decision.

Section 21. KRS 216B.115 is amended to read as follows:

(1) An appeal to the Franklin Circuit Court may be taken from any final decision of the *board or department with respect to a certificate of need application, a certificate of need, or a license, by any party to the proceedings* [~~appeals officer or the board's decision upon remand, by the appeals officer, by any party adversely affected by the decision with respect to a certificate of need, an application for an exemption under this chapter, or a license~~].

(2) An appeal may be taken by filing a petition for review in the Franklin Circuit Court within thirty (30) days after *notice* [~~the rendition~~] of the final decision. *A request for reconsideration filed pursuant to Section 18 shall toll the time for filing a judicial appeal until notice of the board's decision not to reconsider or notice of its decision on reconsideration is given.* The petition shall state completely the grounds upon which the review is sought and shall assign all errors relied upon. The petitioner shall serve a copy of the petition to each person who was a party to the *proceedings* [~~administrative appeal~~]. Summons shall be issued upon the petition directing the adverse party or parties to file *an* answer within twenty (20) days after service of summons. The board *or department* shall, upon being served with the summons[~~,~~] and within thirty (30) days thereafter, file a copy of the record, duly certified by the *department or the* executive director of the board, the cost of *the* [~~such~~] record to be taxed as costs upon appeal. In lieu of filing of such record an abstract thereof may be filed if all parties to the [~~judicial~~] appeal agree.

Section 22. KRS 216B.120 is amended to read as follows:

(1) Each party to the *proceedings* [~~administrative appeal~~] may *participate as a party* [~~appear~~] in the proceedings in the circuit court on an appeal.

(2) In case of *an appeal* [~~appeals~~], no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of this chapter and affecting the *decision or* order; the court shall hear the case upon the certified record or abstract thereof, and shall dispose of the case in *a* [~~the~~] summary manner, its review being limited to determining whether [~~or not~~] the board *or department* acted within its jurisdiction, *whether* the *decision or* order was procured by fraud, and *whether* the findings of fact in issue are supported by substantial evidence and are not clearly erroneous based upon a review of the record as a whole.

(3) The court shall enter judgment *affirming* [~~confirming~~], modifying, *reversing* or setting aside the decision or, in its discretion, remanding the case to the board *or department* for proceedings in conformity with the directions of the court.

(4) Any party to the judicial appeal may appeal from the circuit court to the Court of Appeals in accordance with the Kentucky Rules of Civil Procedure.

Section 23. KRS 216B.125 is amended to read as follows:

In the event the *department or* board fails to *issue or deny* [~~approve or disapprove an application for~~] a certificate of need or an exemption pursuant to this chapter[~~,~~] within the time prescribed under this chapter or administrative regulations promulgated by the board, the applicant may seek judicial enforcement of this chapter by filing a civil action in Franklin Circuit Court.

Section 24. KRS 216B.130 is amended to read as follows:

Any other provisions of this chapter notwithstanding, any expenditure minimum or limit as provided in this chapter[~~,~~] shall be *adjusted* [~~increased~~] for each twelve (12) month period beginning twelve (12) months after this section is enacted [~~and for each twelve (12) month period thereafter shall be adjusted~~] to reflect the changes in the preceding twelve (12) month period in *a cost* [~~an~~] index designated by regulation

[~~pursuant to the federal act~~] for the purposes of making such adjustment. The board shall *effect* [~~reflect~~] such adjustment by [~~the promulgation of~~] administrative regulations.

SECTION 25. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) All monies derived from applicants seeking certificates of need or licenses or from any other sources connected with this chapter shall be promptly paid over to the state treasurer, who shall deposit such monies in a special fund which, in addition to appropriated funds, shall be used to carry out the purposes of this chapter and for no other purpose.

(2) Any fine imposed for the violation of this chapter shall, when collected, be paid into the general fund.

Section 26. KRS 216B.990 is amended to read as follows:

(1) Any person who, in willful violation of this chapter, operates a health facility [~~or health service~~] without first obtaining a license[~~,~~] or continues to operate a health facility [~~or health service~~] after a final decision[~~,~~] suspending or *revoking* [~~revocating~~] a license, shall be fined not less than five hundred dollars ($500) nor more than *ten thousand dollars ($10,000)* [~~three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(2) Any person who, in willful violation of this chapter, acquires major medical equipment, *establishes a health facility*; [~~offers a new institutional service; makes a substantial expenditure in preparation for the offering of such equipment or health services;~~] or obligates a capital expenditure without first obtaining a certificate of need, or after the applicable certificate of need has been withdrawn, shall be fined *one percent (1%) of the capital expenditure involved but* not less than five hundred dollars ($500) [~~nor more than three thousand dollars ($3,000)~~] for each [~~day of~~] violation.

(3) Any hospital acting by or through its agents or employes which violates *any provision* [~~the provisions~~] of KRS 216.453 shall be punished by a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

Section 27. The following KRS sections are repealed.

216B.060 Certificate of need required, when.

216B.080 Criteria for issuance or denial of certificates and for allowance or disallowance of exemptions to be adopted.

216B.100 Separation of components of a project prohibited.

216B.110 Administrative review.

Committee Amendment No. 1 to **SB 300** is as follows:

Amend printed copy of **SB 300,** page 9, line 2, by deleting "*Section 16*" and substituting in lieu thereof "*Section 19*";

and on page 24, line 4, by deleting "*Section 16*" and substituting in lieu thereof "*Section 19*";

and on page 38, line 10, by deleting "*Section 20*" and substituting in lieu thereof "*Section 21*";

and on page 40, line 13, by deleting the period "." and substituting in lieu thereof the following: "*, the*"; and by placing a bracket before and after the word "The" and by placing strike throughs in the word "The".

HB 819, AN ACT relating to long term care facilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

Each long term care facility resident shall have the right to purchase any medication prescribed by a licensed physician and to fill or refill any prescription duly authorized by a licensed physician at the pharmacy of his choice.

SECTION 2. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

No long term care facility shall require a resident to pay one (1) month's charges in advance for services to be rendered.

Committee Substitute to **HB 819** is as follows:

HB 819, AN ACT relating to long term care facilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

Each long term care facility resident shall have the right to purchase any medication prescribed by a licensed physician and to fill or refill any prescription duly authorized by a licensed physician at the pharmacy of his choice; provided however, that if the resident is a recipient of the Kentucky medical assistance program, the pharmacy selected shall be one which participates in the Kentucky medical assistance program.

SECTION 2. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

No long term care facility shall require a resident to pay more than one (1) month's charges in advance in any thirty (30) day period for services to be rendered.

The Committee on Health and Welfare reported **SB 28,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 2 to **SB 28** is as follows:

Amend printed copy of **SB 28,** page 4, line 6, as follows:

delete lines 6-14; and

line 15, change "6" to "5"; and

p. 5, line 5, change "7" to "6".

The Committee on Transportation reported **SB 144** with Committee Amendment attached thereto, **SB 164** with Committee Amendment attached thereto, **SB 226, SB 280,** and **SB 281** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 144, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) Upon application and payment of an additional license fee of twenty-five dollars ($25), owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected members of the U.S. Congress shall be issued an additional five (5) year license plate upon which shall be inscribed, in lieu of the usual registration number, letters indicating whether applicant is a senator or representative followed by the number of the applicant's senatorial or legislative district (i.e. U.S. SENATE-1 or U.S. REPRESENTATIVE-6), and in place of the county name, the word "CONGRESS" and the licensing period for which the plate is issued.

(2) Applications shall be filed with the county clerk of the county in which the congressman resides and the clerk shall forward the applications along with the twenty-five dollar ($25) fee promptly to the department of transportation, noting thereon the current registration number of the vehicle for which the special congressional plate is being sought. The department shall send the congressional plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county clerk of the county of residence shall issue said congressional license plate and receive thirteen dollars fifty cents ($13.50), two dollars ($2) of which shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) which shall constitute the department's fee. Annually thereafter upon application as provided above, and after payment of twelve dollars fifty cents ($12.50), one dollar of which shall constitute the clerk's fee, the clerk shall issue a decal to renew the vehicle's registration. Such decal shall be affixed to the five (5) year registration plate.

(3) Upon the sale or transfer of such motor vehicle bearing such congressional plate, the owner shall remove same and return it and the certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration. The vehicle can then be transferred as provided in KRS Chapter 186.

(4) When said congressional plate has been presented to the clerk, he shall reissue same free from payment to the department of transportation and one dollar ($1) clerk's fee for use on any other vehicle owned by the same person purchasing the congressional plate for the current license period.

(5) In the event a congressional plate is lost, stolen or mutilated, if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free of charge. In the event a congressional plate, within five (5) years of the date of issue, deteriorates to the point where inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge.

(6) Registration under this section shall expire December 31.

(7) The secretary of transportation may make such rules and regulations as he deems necessary to further the purposes of this section.

Section 2. KRS 186.020 is amended to read as follows:

(1) Before the owner of a motor vehicle, other than a motor vehicle engaged in the transportation of passengers for hire operating under a certificate of convenience and necessity, may operate it or permit its operation upon a highway, the owner shall apply for registration in accordance with regulations issued by the department, except that a person who purchases a motor vehicle, or brings a motor vehicle into the Commonwealth from another state shall make application for registration within *ten (10)* [~~five (5)~~] days. The bill of sale or assigned title must be in the motor vehicle during this *ten-day* [~~five-day~~] period. If the owner of a motor vehicle is an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which he resides. If the owner of a motor vehicle does not reside in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which the motor vehicle is principally operated. If the owner of a motor vehicle is other than an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of either such county. The application when presented to the county clerk for registration shall be accompanied by:

(a) A bill of sale and a manufacturer's certificate of origin if the application is for the registration of a new motor vehicle; or

(b) The owner's registration receipt, if the motor vehicle was last registered in this state; or

(c) A bill of sale and the previous registration receipt, if last registered in another state where the law of such state does not require the owner of a motor vehicle to obtain a certificate of title or ownership; or

(d) A certificate of title, if last registered in another state where the law of such state requires the owner of a motor vehicle to obtain a certificate of title or ownership.

(2) (a) After that, the owner of any motor vehicle registered under KRS 186.050(1) shall register his motor vehicle on or before his certificate of registration expires. If, before operating such motor vehicle in this state, the owner registers it at some later date and pays the fee for the full year, he will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the bureau.

(b) After that, the owner of any motor vehicle registered under KRS 186.050(2) shall register his motor vehicle on or before March 1 of each year. If, before operating such motor vehicle in this state, the owner registers it at some later date and pays the fee for the full year, he will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the bureau.

(3) After that, the owner of any commercial vehicle registered under KRS 186.050(3) through (14) shall register his commercial vehicle on or before April 1 of each year. If, before operating such commercial vehicle in this state, the owner registers it at some later date and pays the required fee, he will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the bureau.

(4) The application and documents presented therewith, including the sheriff's certificate of inspection, shall be affixed to the department of transportation copy of the certificate of title or registration and sent to the department of transportation by the clerk.

Section 3. KRS 186.041 is amended to read as follows:

(1) The department of transportation shall issue, free of charge, a certificate of registration and two (2) license plates *or renewal decals* to each disabled veteran who has been or shall be issued a motor vehicle by the veterans administration under the provisions of title 38, section 1901, of the United States Code or any other public law that may be passed by the congress of the United States, and who is a resident of Kentucky.

(2) The license plates in subsection (1) of this section *shall be manufactured to last at least five (5) years and* shall be printed in three (3) colors, red, white and blue. One-half (½) of the license plate shall

be in one color, the other half (½) a second color and the figures and lettering the third color. [~~The color scheme shall alternate each year.~~] Each tag shall contain the name of the state, the years, the registration number and the words "Handicapped Vet."

(3) *Upon the sale or transfer of a vehicle licensed as authorized under this section, the owner shall remove the license plate and return it and the certificate of title and registration upon payment of an eleven dollar fifty cent ($11.50) state fee and a one dollar ($1) clerk's fee. When the special plate has been presented to the clerk, he shall reissue same free from payment to the department of transportation and upon payment of a one dollar ($1) clerk's fee, for use on any other vehicle owned by the same person who purchased the special plate for the current licensing period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort.*

(4) License plates provided under this section shall be issued only as long as the veteran is the owner of a motor vehicle provided by the veterans administration. Such license plates are not transferable to any person or persons not entitled to them under this section. [~~License plates issued under this section shall expire on December 31.~~]

(5)[~~(4)~~] No county, city, town or any other political subdivision of this state shall require any license or fee from any disabled veteran for the privilege of operating a motor vehicle licensed by the department under the provisions of this section upon the streets or alleys of any political subdivision, any other provisions of law to the contrary notwithstanding.

(6)[~~(5)~~] Application for the special license plates shall be made to the department in accordance with such regulations as the department may have issued.

(7)[~~(6)~~] When a motor vehicle bearing plates issued to a disabled veteran as prescribed in this section is being operated by or for the benefit of the disabled veteran, the motor vehicle may be parked for a period of two (2) hours in excess of the legal parking period permitted by local authorities, except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard.

(8) Registration issued under this section shall expire on December 31.

(9) In the event a disabled veteran plate is lost, stolen or mutilated, if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free of charge. In the event a disabled veteran plate, within five (5) years of the date of its issue, deteriorates to the point where the inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge.

(10)[~~(7)~~] The department may make such reasonable rules and regulations as it deems necessary to further the purpose of this section.

Section 4. KRS 186.042 is amended to read as follows:

(1) On the application of any person who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, or any person who is blind, the department of transportation shall issue the handicapped person special registration plates *or renewal decals* designating the vehicle licensed as belonging to a handicapped person. The license plate *or renewal decal* may be issued for a passenger car as set forth in KRS 186.050(1) or for a commercial vehicle as set forth in KRS 186.050(3)(a). The registration plates issued shall bear a handicapped insignia approved by the department, reading from left to right and shall be followed by such numbers or letters as the department finds expedient. The department shall not issue registration plates so designated to any person other than a handicapped person. The department shall not charge any fee, other than the regular fee for annual registration, for the issuance of the registration plates *or renewal decals.* [~~License plates issued under this section shall expire December 31.~~]

(2) *Upon the sale or transfer of a vehicle licensed as authorized under this section, the owner shall remove the license plate and return it and the certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon the payment of an eleven dollar fifty cent ($11.50) state fee and a one dollar ($1) clerk's fee. When the special plate has been presented to the clerk, he shall reissue same free of charge by the department of transportation and upon payment of a one dollar ($1) clerk's fee, for use on any other vehicle owned by the same person who purchased the special plate for the current licensing period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort.*

(3) When a motor vehicle bearing plates issued to a handicapped person as prescribed in this section is being operated by or for the benefit of the handicapped person, the motor vehicle may be parked for a period of two (2) hours in excess of the legal parking period permitted by local authorities except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard.

(4) Registration under this section shall expire December 31.

(5) The department may make such rules and regulations as it deems necessary to further the purpose of this section.

Section 5. KRS 186.174 is amended to read as follows:

(1) [~~(a)~~] Any owner of a motor vehicle required to be registered under the provisions of KRS 186.050(1) or (3)(a), except taxicabs, airport limousines and U-Drive-Its, may, in addition to registration under KRS 186.050(1) or (3)(a), obtain a personalized license plate. A personalized plate shall not be issued unless an application accompanied by a fee of twenty-five dollars ($25.00) is received by the department of transportation on or before September 1 preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order. *The application and the twenty-five dollar ($25) fee is to be forwarded immediately to the department of transportation. Personalized plates issued under this section expire December 31 each year* [~~Upon application to the county clerk of the county of his residence, the clerk shall issue said personalized plate and receive the fee of one dollar ($1.00). Upon the sale or transfer of such motor vehicle bearing such personalized plate the owner shall remove same and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of the appropriate fee. License plates issued under this section shall expire December 31.~~

~~(b) When said personalized plate has been presented to the clerk he shall reissue same for use on any other vehicle of the same class and category as that for which the license was originally issued for a fee of one dollar ($1.00)~~].

(2) No personalized plate shall be issued which would conflict with or duplicate the alphabetical-numerical system used for regular license plates or any other license plates issued in this Commonwealth, and it shall contain a combination of not more than six (6) letters of the alphabet and arabic numerals, including spaces. No personalized plate shall be issued if, in the discretion of the department, it carries such letter or number combinations which might carry connotations offensive to good taste and decency. The owner must make a new application and pay a new fee each year he desires to obtain a personalized plate. Once an owner obtains a personalized plate, he will have first priority on that plate for each of the following years that he makes timely and proper application.

(3) *The department shall send the personalized plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county clerk of the county of residence shall issue said personalized license plate and receive thirteen dollars fifty cents ($13.50), of which two dollars ($2) shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) shall constitute the department's fee* [~~In the event a personalized plate is lost, stolen or mutilated, the owner may not obtain another such plate until the next registration year. He may, however, obtain a regular plate for the regular fee for a lost plate~~].

(4) *(a) Upon the sale or transfer of such motor vehicle bearing such personalized plate, the owner shall remove same and return it and the certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration. This vehicle can then be transferred as provided by KRS Chapter 186.*

(b) When said personalized plate has been presented to the clerk, he shall reissue same free of charge by the department of transportation and upon payment of a one dollar ($1) clerk's fee, for use on any other vehicle of the same classification and category owned by the same person purchasing the personalized plate for the current license period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort [~~The department shall send the personalized plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. Upon payment to the clerk of a fee of one dollar ($1.00), in addition to the regular registration fee and the additional license fee as provided for in this section, the clerk shall issue the personalized plate to the applicant by following the same procedure for the issuance of any license plate under KRS 186.050(1)~~].

(5) *In the event a personalized plate is lost, stolen or mutilated, if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free.*

(6) The secretary of transportation may make such rules and regulations as he deems necessary to further the purposes of this section.

Section 6. KRS 186.177 is amended to read as follows:

(1) Owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are residents of this state and who hold an unrevoked and unexpired official amateur radio station and operator's license issued by the federal communications commission, upon application [~~for each licensing year,~~] accompanied by proof of ownership of such amateur radio licenses, and upon complying with all other laws of this state relating to the registration and licensing of motor vehicles, and upon the payment of an additional license fee of twenty-five dollars ($25.00) shall be issued an additional *five (5) year* license plate upon which shall be inscribed, in lieu of the usual number, the official amateur radio call letters of the station of such applicant as assigned by the federal communications commission, and the year for which the plate is issued. *This application and a twenty-five dollar ($25) fee must be received by the department of transportation on or before September 1 preceding the year in which the plate or renewal thereof is to be issued.*

Any payments required to be made under this section shall be in the form of certified check, cashier's check, or a money order. The owner must make a new application each year he desires to obtain an amateur radio license or renewal decal. The department shall send the amateur radio plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county clerk of the county of residence shall issue said amateur radio license plate and receive thirteen dollars fifty cents ($13.50), of which two dollars ($2) shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) shall constitute the department's fee. Annually thereafter upon application as provided above and after payment of twelve dollars fifty cents ($12.50), one dollar ($1) of which shall constitute the clerk's fee, the clerk shall issue a decal to renew the vehicle's registration. Such decal shall be affixed to the five (5) year registration plate [~~Upon application to the county clerk of the county of his residence, the clerk shall issue said license plate~~]. Upon the sale or transfer of such vehicle bearing such special plate the owner shall remove same and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration. *When said amateur radio plate has been presented to the clerk, he shall reissue same for a one dollar ($1) clerk's fee and free from payment to the department of transportation for use on any other vehicle owned by the same person purchasing the amateur radio plate for the current license period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort. This vehicle can then be transferred as provided in KRS Chapter 186* [~~upon payment of the appropriate fee. The application shall be at such time and on such forms as may be reasonably prescribed by the secretary of the department of transportation, and the special plate shall be issued at such time as he shall reasonably prescribe. License plates issued under this section shall expire on December 31. A license plate shall not be issued under this section unless an application accompanied by a fee of twenty-five dollars ($25.00) is received by the department of transportation on or before September 1, preceding the year in which the plate or renewal thereof is to be issued. Any payments required to be made under this section shall be in the form of a certified check, cashier's check or a money order~~].

(2) *In the event the plate is lost, stolen, or mutilated, if the owner has not transferred a vehicle during the current license period, he may obtain a regular plate free of charge. In the event the amateur radio plate, within five (5) years from the date of its issue, deteriorates to the point where the inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge* [~~For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section, the additional sum of one dollar ($1.00) for each registration under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached~~].

(3) *Amateur radio registration under this section expires December 31 each year.*

(4) The secretary of the department of transportation may make such reasonable rules and regulations as he deems necessary to further the purpose of this section.

Section 7. KRS 186.178 is amended to read as follows:

(1) Upon application [~~for each licensing period,~~] and payment of an additional license fee of twenty-five dollars ($25.00), owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected members of the general assembly shall be issued an additional *five (5) year* license plate upon which shall be inscribed, in lieu of the usual registration number, letters indicating whether applicant is a senator or representative followed by the number of applicant's senatorial or legislative district (i.e. SENATE-38 or HOUSE-30), and in place of the county name, the word "LEGISLATURE," and the licensing period for which the plate is issued.

(2) Any person who has been sworn as a member of the general assembly, or who has received his certificate of election to the general assembly and whose election is not being challenged, may apply for the special legislative license plate authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(3) Applications shall be filed with the county clerk of the county in which the legislator resides and the clerk shall forward the applications *along with the twenty-five dollar ($25) fee* promptly to the department of transportation, noting thereon the current registration number of the vehicle for which the special legislative plate is being sought. *The department shall send the legislative plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county clerk of the county of residence shall issue said legislative license plate and receive thirteen dollars fifty cents ($13.50), of which two dollars ($2) shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) shall constitute the department's fee. Annually thereafter upon application as provided above and after payment of twelve dollars fifty cents ($12.50), one dollar ($1) of which shall constitute the clerk's fee, the clerk shall issue a decal to renew the vehicle's registration. Such decal shall be affixed to the five (5) year registration plate* [~~The department shall thereupon deliver the special legislative plate to the county clerk. The legislator shall leave the original plate in the custody of the county clerk and attach the special legislative plate to the vehicle~~

~~so licensed. License plates issued under this section shall expire on February 28 of the following year after purchase except for those members who will not be members of the legislature for that year. The outgoing members' special legislative plates shall expire on December 31 of the year purchased~~].

(4) Upon the sale or transfer of a vehicle bearing such special legislative license plate, the owner shall remove same and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration [~~upon payment of the appropriate fee~~]. *This vehicle can then be transferred as provided in KRS Chapter 186* [~~Said special legislative plate shall be reissued by the county clerk for use on any other vehicle owned by the legislator and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a)~~].

(5) *When said legislative plate has been presented to the clerk, he shall reissue same for a one dollar ($1) clerk's fee and free from payment to the department of transportation for use on any other vehicle owned by the same person purchasing the legislative plate for the current period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort* [~~For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and to the additional license fee as provided for in this section the additional sum of one dollar ($1.00) for each registration under this section. A like amount shall be charged for the reissuance of such special license plate after the sale or transfer of the vehicle to which it was originally attached~~].

(6) *In the event a legislative plate is lost, stolen or mutilated, if the owner has not transferred a vehicle during the current license period, he may obtain a regular plate free. In the event the legislative plate, within five (5) years of the date of its issue, deteriorates to the point where the inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge.*

(7) Special legislative registration under this section shall expire on December 31 of the year purchased.

(8) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

Section 8. KRS 186.179 is amended to read as follows:

(1) Upon application for each licensing period, owners of motor vehicles required to be registered under the provisions of KRS 186.050(1) or (3)(a) who are duly elected or appointed justices or judges of the Court of Justice shall be issued two (2) additional *five (5) year* license plates for an additional [~~annual~~] license fee of twenty-five dollars ($25.00).

(2) On license plates for justices of the Supreme Court, other than the chief justice, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, the initials "JSC" followed by the Supreme Court district from which they serve, and in lieu of the county name, the words "SUPREME COURT." On the plates issued to the chief justice shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "CHIEF JUSTICE."

(3) On the plates for judges of the Court of Appeals, other than the chief judge, shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the appellate district from which they serve, followed by the initials "CA", followed by the division number which they serve, and in lieu of the county name the words "COURT OF APPEALS." On plates issued to the chief judge shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, "-1-", and in lieu of the county name, the words "COURT OF APPEALS."

(4) On the plates for circuit judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number the number of the judicial circuit which they serve followed by the initial "C", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(5) On the plates for district judges shall be inscribed "KENTUCKY," and the licensing period for which the plate is issued, and in lieu of the usual registration number, the number of the judicial district which they serve followed by the initial "D", followed by the number of the division which they serve, if any, and in lieu of the county name the word "JUDICIARY."

(6) Any person who has been sworn as a justice or judge of the Court of Justice, or who has received his certificate of election to the Court of Justice and whose election is not being challenged, may apply for the special judicial license plates authorized by this section, provided the term of office to which he was elected shall not expire before the end of the licensing period, and provided that he has complied with all other laws of this state relating to the registration and licensing of motor vehicles.

(7) Applications shall be filed with the county clerk of the county in which the judge resides and the clerk shall forward the applications *along with the twenty-five dollar ($25) initial registration fee* promptly to the department of transportation, noting thereon the current registration number of the vehicle for which the special judicial plates are being sought. The department shall *send the judicial plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county*

clerk of the county of residence shall issue said judicial license plate and receive thirteen dollars fifty cents ($13.50), of which two dollars ($2) shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) shall constitute the department's fee. The judge shall attach the special judicial plates to the vehicle so licensed, [~~thereupon deliver the special judicial plates to the county clerk. The judge shall leave the original plate in the custody of the county clerk and attach the special judicial plates to the vehicle so licensed;~~] one (1) license plate attached to the front of the vehicle, and one (1) license plate attached to the rear of the vehicle. *Annually thereafter upon application as provided above and without payment of the initial registration fee to the department, the clerk shall issue a decal or decals, to renew the vehicle's registration. Such decal or decals shall be affixed to the special judicial plate or plates as prescribed by the department.* [~~Licenses issued under this section shall expire December 31.~~]

(8) Upon the sale or transfer of a vehicle bearing such special judicial license plates, the owner shall remove same and return it and certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration. *This vehicle can then be transferred as provided in KRS Chapter 186.*

(9) When said judicial plate has been presented to the clerk, he shall reissue same for a one dollar ($1) clerk's fee and free from payment to the department of transportation for use on any other vehicle owned by the same person purchasing the judicial plate for the current license period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort [~~upon payment of the appropriate fee. Said special judicial plates shall be reissued by the county clerk for use on any other vehicle owned by the judge and authorized to be registered under the provisions of KRS 186.050(1) or (3)(a).~~

~~(9) For services performed, the county clerk shall receive from each applicant in addition to the regular registration fee and the additional license fee provided for in this section, the additional sum of one dollar ($1) for each registration under this section. A like amount shall be charged for the reissuance of such special license plates after the sale or transfer of the vehicle to which it was originally attached~~].

(10) In the event a judicial plate is lost, stolen or mutilated, *if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free of charge. In the event the special judicial plate, within five (5) years of the date of its issue, deteriorates to the point where the inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge* [~~the owner may not obtain another such plate until the next registration year. He may, however, obtain the plate for which he had originally registered his motor vehicle under the provisions of KRS 186.050(1) or (3)(a)~~].

(11) *Registration under this section shall expire on December 31.*

(12) The secretary of the department of transportation shall make such reasonable rules and regulations, and prescribe such forms, as are deemed necessary to further the purpose of this section.

Section 9. KRS 186.182 is amended to read as follows:

(1) The department of transportation shall issue, free of charge, a certificate of registration and one (1) license plate to each recipient of the congressional medal of honor who is a resident of Kentucky.

(2) The license plate in subsection (1) of this section shall be printed in two (2) colors, blue and white, and shall follow the color scheme for all figures and letters as prescribed for passenger cars. Each tag shall contain the name or an abbreviation of the state and the words "Medal of Honor" and a number uniquely identifying each recipient, in lieu of registration numbers.

(3) License plates provided under this section shall be issued only as long as the medal of honor recipient is the owner of the motor vehicle. Such license plates are not transferable to any person not entitled to them under this section. [~~License plates issued under this section shall expire on December 31.~~]

(4) *Upon the sale or transfer of a vehicle licensed as authorized under this section, the owner shall remove the license plate and return it and the certificate of title and registration to the county clerk. The clerk shall issue a regular license plate and certificate of title and registration upon payment of an eleven dollar fifty cent ($11.50) state fee and a one dollar ($1) clerk's fee. When the special plate has been presented to the clerk, he shall reissue same free from payment to the department of transportation and upon payment of a one dollar ($1) clerk's fee, for use on any other vehicle owned by the same person who purchased the special plate for the current licensing period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort.*

(5) No county, city or any other political subdivision of this state shall require any license fee from any medal of honor recipient for the privilege of operating a motor vehicle upon the streets or alleys of any political subdivision, any other provisions of laws to the contrary notwithstanding.

(6)[~~(5)~~] Application for the special license plates shall be made to the department in accordance with such regulations as the department may have issued.

(7) License plates issued under this section shall expire on December 31.

(8)[~~(6)~~] The department may make such reasonable rules and regulations as it deems necessary to further the purpose of this section.

Committee Amendment No. 1 to **SB 144** is as follows:

Amend printed copy of **SB 144** as follows:

on page 2, line 11, after "*($12.50),*" by deleting the words "*one dollar*" and inserting the words "*two dollars ($2)*" in lieu thereof;

and on page 3, lines 2-5, after "*(5)*" by deleting the following language: "*In the event a congressional plate is lost, stolen or mutilated, if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free of charge.*"

and on page 8, lines 19-22, after "*(9)*" by deleting the following language: "*In the event a disabled veteran plate is lost, stolen or mutilated, if he has not transferred a vehicle during the current license period, the owner may obtain a regular plate free of charge.*"

and on page 14, lines 15 and 16, after the word "*plate*" by deleting the words "*is lost, stolen or mutilated*" and inserting the word "*deteriorates*" in lieu thereof;

and on page 16, lines 5 and 6, after "*($12.50),*" by deleting the words "*one dollar ($1)*" and inserting "*two dollars ($2)*" in lieu thereof

and on page 17, lines 13-16, after "(2)" by deleting the following language: "*in the event the plate is lost, stolen, or mutilated, if the owner has not transferred a vehicle during the current license period, he may obtain a regular plate free of charge.*"

and on page 19, line 23, after "*$12.50),*" by deleting the following language: "*In the event a legislative plate is lot, stolen or mutilated, if the onwer has not transferred a vehicle during the current license period, he may obtain a regular plate free.*"

and on page 26, lines 11 and 12, after "(10)" by placing brackets around the words "In the event a judicial plate is lost, stolen or mutilated,";

and on page 26, lines 12-14, after the word "mutilated," by deleting the following language: "*if he has not transferred a vehaicle during the current license period, the owner may obtain a regular plate free of charge.*".

SB 164, AN ACT relating to motor vehicle operators' licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created within the bureau of vehicle regulation a medical review board for the purpose of advising the secretary or his designee concerning the medical aspects of driver licensure. The board shall also determine whether any applicant for or any holder of a valid operator's license has physical or mental infirmities which affect or limit the driving ability or make it unsafe for said person to operate a motor vehicle upon the public highways. The bureau shall promulgate regulations pertaining to the medical review board.

(2) The governor shall appoint to the medical review board twenty-five (25) members, of whom twenty-four (24) shall be licensed physicians. The board shall consist of at least: five (5) ophthalmologists; four (4) internists; three (3) neurosurgeons or neurologists; two (2) psychiatrists; and one (1) physician certified in rehabilitative medicine. The remaining physician members of the board shall be appointed from various other disciplines within the medical profession. The one (1) non-physician member shall be a representative from the bureau of rehabilitation services trained in the evaluation of physically or mentally impaired drivers. On July 15, 1982, the governor shall appoint nine (9) members of the board to serve for a period of one (1) year, eight (8) members of the board to serve for a period of two (2) years, and eight (8) members to serve for a period of three (3) years.

(3) Board members shall serve without compensation but shall be reimbursed for necessary expenses incurred in performing their duties.

(4) The medical review board shall meet at such times as may be prescribed by regulation. To constitute a meeting of the board within the meaning of this section, a panel of not more than seven (7) nor less than three (3) board members shall meet to consider the cases presented.

SECTION 2. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) The board shall have the following responsibilities:

(a) Advise the secretary or his designee on medical criteria and vision standards relating to the safe operation of motor vehicles;

(b) Recommend to the secretary or his designee procedures and guidelines for licensing individuals with a physical or mental impairment;

(c) Initiate the development of medically acceptable report forms;

(d) Direct research of medically impaired individuals;

(e) Spearhead efforts to orient the general physician population as well as the public in the medical aspects of driver licensure;

(f) Evaluate individual cases that require more than one (1) opinion or that cannot be screened out in light of guidelines established by the board.

(2) The board may require a physical examination and written report to be made by a physician or optometrist of the individual's choice. After receipt of the written report, the board shall evaluate it, and make recommendations to the secretary or his designee concerning the named individual's driving status.

(3) Reports or records received and reviewed by the board or any of its members, or by the department, pursuant to this Act for the purpose of determining whether a person meets the physical or mental standards to be licensed as a driver are for the confidential use of the board and the department, and except as may otherwise be specifically required by federal or state statute, such reports or records shall not be divulged to any other person; federal, state, or local government; or private entity, or used as evidence in any trial; provided that copies of such reports or records shall be provided, upon demand, to the licensed driver or applicant to whom they relate or to his authorized representative.

(4) The secretary or his designee shall give fair consideration to any opinions, reports, records, or recommendations of the board; however, all such opinions, reports, records, and recommendations shall be solely advisory and shall not be binding on the secretary.

(5) Any person under review who refuses to submit to an examination or provide requested information or both, shall as a matter of law be considered unqualified to operate a motor vehicle until such time as the individual complies with the board's requests and the board can make its findings and recommendations to the secretary.

(6) No civil or criminal action may be brought against the board, any of its members, the secretary or department of transportation or its employes, or any physician or optometrist for providing any report, records, examinations, opinions or recommendations pursuant to this Act. In addition, any other person acting in good faith and without negligence or malicious intent in making a report to the board pursuant to this Act shall be immune from civil liability that might otherwise be incurred or imposed.

(7) Portions of the board meetings for the purpose of determining the medical condition of the individual are to be considered closed sessions, since those reports are considered confidential.

Committee Amendment No. 1 to **SB 164** is as follows:

Amend printed copy of **SB 164** as follows:

on page 1, line 16, before the word "*shall*" by deleting "*four (24)*" and inserting the word "*two (22)*";

and on page 1, line 15, after the word "*physicians*" by inserting the words "*and two (2) shall be licensed optometrists*";

and on page 1, line 18, after the word "*phychiatrists;*" by deleting the word "*and*";

and on page 1, line 19, after the word "*medicine*" by inserting the following language: "*; and two (2) optometrists*".

SB 226, AN ACT relating to airports.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 183.765 is amended to read as follows:

[~~(1)~~] Airport development in Kentucky may be undertaken and paid for by the state, the United States and governmental units. Costs for development may be borne by any one of these or by any combination.

[~~(2) Whenever state funds are used or sought to be used in the development of an airport in the state, the state treasury shall be designated as the depository for all funds of governmental units, the United States government, the commonwealth of Kentucky, and private contributions pledged, contributed, loaned, or allocated for the development of such airport. Provided, however, the department may disregard the provisions of this subsection if such be necessary in order to comply with any law or regulation of the federal government. In all other instances of airport development, the governmental unit may designate its own depository for all funds of the governmental unit, United States government, and private contributions pledged, contributed, loaned, made available, given or allocated for such airport development.~~]

SB 280, AN ACT relating to motor carriers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.802 is amended to read as follows:

(1) No carrier who is the holder of a certificate or permit issued by this bureau may advertise under any name other than that in which its certificate or permit is issued.

(2) No person shall advertise his services for the intrastate transportation of household goods, as defined in KRS 281.624, without including in such advertisement the certificate or permit number issued to him by the bureau.

SB 281, AN ACT relating to motor carriers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.624 is amended to read as follows:

(1) The term "household goods certificate" means a certificate granting authority to operate as an irregular route common carrier transporting*:*

(a) Uncrated office and store furniture and used household goods, uncrated new furniture*;*[~~,~~]

(b) Personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling;

(c) Furniture, fixtures, equipment, and the property of stores, offices, museums, institutions, hospitals, or other establishments, when a part of the stock, equipment, or supply of such stores, offices, museums, institutions, hospitals, or other establishments;

(d) Articles, including objects of art, displays, and exhibits, which because of their unusual nature or value require the specialized handling and equipment usually employed in moving household goods; and

(e) Uncrated computers and electronic equipment which because of their unusual nature or value require specialized handling and equipment usually employed in moving household goods, and crated computers and electronic equipment of such nature or value which are to be delivered for installation to the premises of the ultimate user; provided, however, that nothing herein shall be construed to obviate or remove any specific restriction or limitation as to areas which may be served that presently exist in any such certificate, and such limitation or restriction shall remain in effect.

(2) Any person, or his respective predecessor in interest, engaged as of December 31, 1969, in the transportation of uncrated office and store furniture and used household goods, and uncrated new furniture, pursuant to a valid certificate issued by the bureau authorizing such activity as an irregular route common carrier, shall, upon application, be entitled to the issuance of a household goods certificate to thereafter authorize a continuation of the same operations, including a designation of the location of the situs of the office and terminal facilities of such person utilized as of December 31, 1969. Upon petition by any interested party, or, upon its own motion if it so desires, the bureau shall require a hearing upon any such application to establish an applicant's rights thereunder. Any subsequent change in situs, or additional situs to a household goods certificate shall be granted only upon application to the bureau in the same manner as other applications made under KRS 281.625.

The Committee on State Government reported **SB 51, SB 152, SB 167, SB 170, SB 172, SB 174, SB 193, SB 284, SB 327,** and **SCR 50** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 51, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.305 is amended to read as follows:

The canvass and returns provided for in KRS 117.275 shall constitute the official returns of the precinct, unless within ninety-six (96) hours after the close of the polls, *the county clerk or county board of elections takes notice of a discrepancy in the tally of votes cast in any precinct or number of precincts, or* a candidate shall in writing request the county board of elections to check and recanvass the voting machines of any precinct or any number of precincts. When such *notice is taken or* [~~a~~] request has been made the election commission shall immediately assemble and recheck and recanvass each machine and make a proper return thereof to the county clerk, in which event the canvass and return shall become the official returns for the election. In making the recanvass the board shall make a record of the number of the seal upon the voting machine and without unlocking the machine against voting, recanvass the vote cast thereon. If, upon a recanvass, it is found that the original canvass of the returns has been correctly made from the machine, and that there still remains a discrepancy unaccounted for, the board with the assistance of the county clerk, shall unlock the voting and counting mechanism of the machine, and shall proceed thoroughly to examine and test the machine to determine and reveal the true cause, if any, of the discrepancy in returns of the machine. Each registering counter shall be reset at zero before it is tested, after which it shall be operated at least one hundred (100) times. After the completion of the examination and test, the county clerk shall then and there prepare a statement, in writing, giving in detail the result of the examination and test and statement which shall be witnessed by the persons present, and shall be filed with the board. If, upon recanvass, it appears that the original canvass of the returns by the election officers was incorrect, the returns and all papers being prepared by the board shall be corrected accordingly, except that there shall be no change in the vote of any candidate from that originally certified unless such candidate was actually notified. At the recanvass, each political party represented on the board may appoint a representative there to be its governing body, and also each candidate to be voted for may be present either in person or by a representative or both. The county board of elections shall authorize representatives of the news media to observe the recanvass of the votes cast on the voting machine in each precinct. Nothing in this section shall prohibit an individual from requesting, in addition to a recanvass, a recount as authorized by KRS chapter 120.

SB 152, AN ACT relating to governmental purchases and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45A.080 is amended to read as follows:

(1) Contracts exceeding the amount provided by KRS 45A.100 shall be awarded by competitive sealed bidding unless it is determined in writing that this method is not practicable. Factors to be considered in determining whether competitive sealed bidding is not practicable shall include whether:

(a) Specifications can be prepared that permit award on the basis of either the lowest bid price or the lowest evaluated bid price; and

(b) The available sources, the time and place of performance, and other relevant circumstances as are appropriate for the use of competitive sealed bidding.

(2) The invitation for bids shall state whether award shall be made on the basis of the lowest bid price or the lowest evaluated bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids.

(3) Adequate public notice of the invitation for bids shall be given a sufficient time prior to the date set forth therein for the opening of bids. Such notice shall include publication in a newspaper or newspapers of general circulation in the state as determined by the secretary of the department of finance for all price contracts and purchase contracts estimated to exceed *ten thousand dollars ($10,000)* [~~seven thousand five hundred dollars ($7,500)~~] not less than seven (7) days before the date set for the opening of the bids.

(4) Bids shall be opened publicly at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and be open to public inspection.

(5) The contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price or lowest evaluated bid price.

(6) Correction or withdrawal of bids may be allowed only to the extent permitted by regulations issued by the secretary.

Section 2. KRS 45A.100 is amended to read as follows:

(1) Procurements, not to exceed an aggregate amount of *ten thousand dollars ($10,000)* [~~five thousand dollars ($5,000)~~] for construction, five thousand dollars ($5,000) for equipment replacement parts purchased by the *department of transportation* [~~bureau of highways~~], and one thousand dollars ($1,000) for all

other purchases by state governmental bodies other than institutions of higher education *and the department of finance,* may be made in accordance with small purchase regulations promulgated by the secretary of the department of finance. Procurements not to exceed an aggregate amount of *ten thousand dollars ($10,000)* [~~five thousand dollars ($5,000)~~] for construction and purchases *of five thousand dollars ($5,000)* by state institutions of higher education *and the department of finance* may be made in accordance with small purchase regulations promulgated by the secretary of department of finance.

(2) Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. At least every *two (2)* [~~three (3)~~] years, the secretary shall review the prevailing costs of labor and materials and may make recommendations to the next regular session of the general assembly for the revision of the then current maximum small purchase amount as justified by intervening changes in the cost of labor and materials.

Section 3. KRS 45A.335 is amended to read as follows:

As used in KRS 45A.330 to 45A.340 except as may be otherwise indicated by the context:

(1) "Agency" means any of the departments of the state government, and any division, board, bureau, commission or other instrumentality within such department and any independent state authority, commission, instrumentality or agency, but it does not include a school district or other political subdivision nor an authority, commission, instrumentality or agency created pursuant to compact or agreement between or among the state of Kentucky and another state or states;

(2) "Officer or employe" means a member of the boards of trustees, or regents of a state university except faculty and student members, and a person holding an office, position or employment in an agency, but it does not include other persons who serve without salary [~~or other payment for their services~~] and it does not include *members or* employes of school boards or district boards of education or faculty or staff of state institutions of higher learning *or, as used in KRS 45A.340(5), citizen members of boards, commissions or independent state authorities who may receive per diem allowances for attendance at meetings of the boards, commissions or authorities on which they serve*;

(3) "Compensation" means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered, but it does not include the salary or other payment provided by law or appropriation for services rendered in a public office, position or employment;

(4) No member of a board of trustees or regents shall have an interest in any contract with a state university unless such contract shall have been subjected to competitive bidding in compliance with KRS Chapter 45, unless such trustee or regent shall have been the lowest bidder and unless such trustee or regent shall have first notified in writing to the remaining members of the board, and to the newspaper having the largest circulation in the county in which the state university is located, of his intention to bid on such contract.

Section 4. KRS 424.260 is amended to read as follows:

Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county or district, or board or commission of a city or county, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than *seven thousand five hundred* [~~five thousand~~] dollars *($7,500)* [~~($5,000)~~] without first making newspaper advertisement for bids. Provided, however, that this requirement shall not apply in an emergency if the chief executive officer of such city, county or district has duly certified that an emergency exists, and has filed a copy of such certificate with the chief financial officer of such city, county, or district.

Section 5. Whereas, the attorney general has raised a question about the applicability of KRS 45A.340(5) to citizen members of state boards and commissions; and,

Whereas, it is therefore necessary for the general assembly to promptly clarify the definition of "officer or employe" as it relates to such board and commission members and to accord equal treatment to them, whether they serve with or without per diem payment of their services;

Now, therefore, an emergency is deemed to exist and this Act shall become effective upon its passage and approval by the governor.

SB 167, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15A.015 is amended to read as follows:

[~~The~~] Deputy *secretaries* [~~secretary~~] of justice shall be appointed by and directly responsible to the secretary and shall be the principal *assistants* [~~assistant~~] and *advisors* [~~advisor~~] to the secretary for all policies, programs and operations of the department.

Section 2. KRS 15A.020 is amended to read as follows:

There is established within the department a bureau of state police[~~, a bureau of corrections~~] and a bureau of training. Each bureau shall be headed by a commissioner appointed by the secretary with the approval of the governor as required by KRS 12.050. The commissioners shall be directly responsible to the secretary and shall perform such functions, powers and duties as provided by law and as the secretary may prescribe.

Section 3. KRS 15A.030 is amended to read as follows:

The department of justice, in addition to the bureaus set forth in KRS 15A.020, shall consist of the following organizational units which are hereby created or reestablished:

(1) Office of secretary of justice comprised of the secretary of justice *and*[~~;~~] the Kentucky crime commission [~~, the Kentucky law enforcement council and the office of law enforcement programming~~].

(2) *Offices of* deputy *secretaries* [~~secretary~~] of justice.

(3) [~~Executive office of staff services.~~

~~(4)~~] Office for public advocacy, attached to the office of the secretary for administrative purposes.

(4)[~~(5)~~] Office of the general counsel.

(5) Medical examiner service program.

Section 4. KRS 15A.060 is amended to read as follows:

[~~The executive office of staff services shall be headed by an administrator who shall be appointed by and be directly responsible to the secretary. The administrator shall have such authority and responsibility as may be delegated by the secretary.~~] The office *of secretary of justice* shall serve as the state planning agency for purposes of compliance with the federal crime control and safe streets act of 1968, as amended, *or subsequently adopted federal criminal justice legislation,* and provide staff services to the Kentucky crime commission relating to the administration of federally supported programs pursuant to the above-referenced *acts* [~~act~~].

Section 5. KRS 15A.070 is amended to read as follows:

(1) The bureau of training shall establish, supervise and coordinate training programs and schools for law enforcement personnel, [~~correction personnel,~~] and any other justice or non-law enforcement related personnel as prescribed by the secretary.

(2) The bureau of training shall make a continuing study of law enforcement training standards and upon request may furnish information relating to standards for recruitment, employment, promotion, organization, management and operation of any law enforcement agency in Kentucky.

(3) The bureau of training shall conduct continuing research on criminal law and criminal justice subjects related to law enforcement training.

Section 6. KRS 15A.080 is amended to read as follows:

[~~The parole board and the commission on corrections and community services shall be attached to the office of the commissioner, bureau of corrections, for administrative purposes.~~] The Kentucky law enforcement council shall be attached to the office of the *commissioner, bureau of training* [~~secretary of justice~~] for administrative purposes. [~~The commission on corrections and community services shall advise the secretary of justice on appropriate correctional training programs and evaluation thereof.~~]

Section 7. KRS 15A.120 is amended to read as follows:

[~~Except as otherwise provided in 1974 Acts ch. 74,~~] All functions, powers and duties now vested in the department of public safety, [~~department of corrections,~~] Kentucky crime commission, and Kentucky law enforcement council are hereby transferred and vested in the department.

Section 8. KRS 15A.130 is amended to read as follows:

All funds, credits, assets, appropriations, outstanding obligations, personnel, equipment, any and all resources or other tangible property and any business or other matter undertaken or now vested in the department of public safety, [~~department of corrections,~~] Kentucky crime commission, Kentucky law enforcement council and office of public defender, except as provided in KRS 31.050, are hereby transferred and vested in the department.

Section 9. KRS 15A.140 is amended to read as follows:

[~~Except as otherwise provided in 1974 Acts ch. 74,~~] All rules, regulations, acts, agreements, determinations and decisions of the department of public safety, [~~department of corrections,~~] Kentucky law enforcement council, office of public defender, and Kentucky crime commission shall remain in effect within the department until duly modified or repealed by the secretary.

Section 10. KRS 15A.160 is amended to read as follows:

The secretary may promulgate administrative regulations *in accordance with KRS Chapter 13* [~~not inconsistent with the provisions of 1974 Acts ch. 74~~].

Section 11. KRS 15A.170 is amended to read as follows:

All corporate bodies and instrumentalities of the Commonwealth, advisory committees, commissions, councils, interstate compact or other statutory bodies presently attached to the functions in whole or in part of the *department* [~~departments~~] of public safety [~~and corrections~~], the Kentucky crime commission, Kentucky law enforcement council and office of public defender transferred to the department of justice under

1974 Acts ch. 74 shall be attached to the department of justice for administrative support services. The secretary of justice, or his designee, shall serve as member of any authority, commission, board, committee or other entity on which by virtue of law, regulation or order the commissioner of public safety, [~~commissioner of corrections,~~] executive director of the crime commission, executive director of the Kentucky law enforcement council or public defender is a member by virtue of his office. Any office, or its successor agency, presently designated as Kentucky representative for a federally related program shall continue as such until such designation is modified by the secretary with the approval of the governor.

Section 12. KRS 15A.180 is amended to read as follows:

All reports, documents, surveys, books, records, files, papers or other writing, in the possession of the department of public safety, [~~department of corrections,~~] Kentucky crime commission, Kentucky law enforcement council, and office of public defender shall remain in the custody of the department. All confidential records, files or information maintained in accordance with state or federal law or regulations or rules of court shall be retained in accordance with present law, regulation or rules of court until modified or repealed or until the secretary establishes appropriate regulations to protect these records, files and information.

Section 13. KRS 16.065 is amended to read as follows:

In addition to the performance of all duties relating to the Kentucky state police, the bureau of state police shall perform the following functions:

(1) Security of state facilities located in Frankfort;

(2) Highway enforcement; *and*

(3) Water safety enforcement as provided in KRS Chapter 235[~~; and~~

~~(4) Security of state parks and property of the department of parks as provided in KRS 148.056~~].

Section 14. KRS 72.220 is amended to read as follows:

The department *of justice* [~~for human resources~~] shall, within budgetary limitation, provide medical assistance to coroners in investigating deaths; provide or contract for laboratory facilities for performing autopsies and investigations pursuant to KRS 72.210 to 72.275; provide for the keeping of reports of all investigations and examinations; and provide such other functions and duties as may be specified in KRS 72.210 to 72.275 or in the rules and regulations of the secretary *of justice* [~~for human resources~~].

Section 15. KRS 72.225 is amended to read as follows:

An advisory commission is hereby established to act in a general advisory capacity to the medical examiner services. The commissioner of state police, *the secretary of justice* and the secretary for human resources shall be ex-officio members of the advisory commission. The secretary *of justice* [~~for human resources~~] shall appoint five (5) additional members for terms of four (4) years each or until their successors are appointed and qualify. Members of the advisory commission shall receive no compensation for their services but shall be repaid their actual expenses incurred in attending meetings.

Section 16. KRS 72.235 is amended to read as follows:

The state department *of justice* [~~for human resources~~] may establish or contract for physical facilities for the conduct of post-mortem and other necessary examinations. The department may employ, by contract or otherwise, pathologists, toxicologists and other ancillary, technical and administrative personnel to perform autopsies and such other pathological, chemical and other studies and examinations as may be deemed necessary. Such studies and examinations may be performed in another state if deemed to be in the best interest of the commonwealth by the director of the medical examiner section and the reports thereof shall have the same validity and admissibility in evidence as those performed within this state when duly certified by the medical examiner section of the department.

Section 17. KRS 72.250 is amended to read as follows:

Autopsies and other examination services performed pursuant to KRS 72.210 to 72.275 may be without charge if budgetary limitations so permit but in the event budgetary limitations are deemed to be inadequate, the secretary *of justice* [~~for human resources~~] may, by regulation, adopt a reasonable schedule of fees and charges for autopsies and other services to be paid for by the county concerned out of the county treasury.

Section 18. KRS 72.255 is amended to read as follows:

The secretary *of justice* [~~for human resources~~] shall adopt rules and regulations to carry out the provisions of KRS 72.210 to 72.275.

Section 19. KRS 72.260 is amended to read as follows:

(1) Reports of investigations, examinations and autopsies made pursuant to KRS 72.210 to 72.275 or transcripts or copies thereof certified by the director of the medical examiner section or by any county or district medical examiner shall be admissible in evidence in any court of this state.

(2) The secretary *of justice* [~~for human resources~~] is authorized to establish a schedule of fees for issuing duplicate records of investigations, examinations, autopsies and other records; Provided, however, That one (1) copy shall be provided free of charge to either the city, county or commonwealth's attorney concerned.

Section 20. KRS 72.275 is amended to read as follows:

Anyone participating in good faith pursuant to KRS 72.210 to 72.275 or the rules and regulations of the secretary *of justice* [~~for human resources~~] shall have immunity from any civil liability that might otherwise be incurred or imposed.

Section 21. KRS 148.056 is amended to read as follows:

(1) The commissioner of *parks* [~~the bureau of state police~~], in his discretion, may employ and commission park rangers as the commissioner deems necessary to secure the parks and property of the department of parks and to maintain law and order and such employes, when so commissioned, shall have all of the powers of peace officers and shall have on all parks property and on public highways transversing such property in all parts of the state the same powers with respect to criminal matters and enforcement of the laws relating thereto as sheriffs, constables and police officers in their respective jurisdictions, and shall possess all the immunities and matters of defense now available or hereafter made available to sheriffs, constables and police officers in any suit brought against them in consequence of acts done in the course of their employment.

(2) The designation of any such employe as a peace officer shall be governed by the provisions of KRS 61.300 except that he shall not be required to have resided in the county wherein he is to serve for a period of at least two (2) years, and he shall be required to file his photograph and affidavit only with the Franklin County Clerk.

(3) Any employe so commissioned shall be required to execute bond, subject to the provisions of KRS 62.170, for the faithful and lawful performance of his duties.

[~~(4) Peace officers commissioned as provided herein may be assigned additional duties at locations other than park properties for specified limits of time during an emergency or time of special need as determined by the commissioner in his discretion.~~]

SB 170, AN ACT relating to the department of military affairs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 36.010 is amended to read as follows:

The department of military affairs shall have charge of and be responsible to the governor for the proper functioning of the Kentucky national guard, militia and all other military or naval matters of the state, and shall consist of the following divisions:

(1) Administrative divisions;
(2) Veterans division;
(3) Facilities division;
(4) Active militia division;
(5) Army national guard division;
(6) Air national guard division;
(7) Kentucky civil air patrol;
(8) Division of air transport and capital city airport; and
(9) Kentucky center for veteran affairs.

In order to promote greater efficiency, economy and improved administration, the divisional structure of the department of military affairs may be changed, redesignated or reorganized in accordance with KRS chapter 12.

Section 2. KRS 42.023 is amended to read as follows:

The *division of air transport and capital city airport* [~~office of air transport~~] established in the department of *military affairs by Section 1 of this Act* [~~finance by KRS 42.014~~] shall be responsible for the management, administration and operational control of the capital city airport and of all air related real properties and appurtenances thereto located at the capital city airport not under the exclusive control of another state agency, and shall provide for and oversee the maintenance and care of all state-owned aircraft and control the scheduling and operational use thereof by all state agencies, and attend to the collection from using agencies and officers of the cost of operating said aircraft. Subject to the approval of the secretary as to the reasonableness thereof, the *division of air transport and capital city airport* [~~office for air transport~~] shall establish, in accordance with applicable federal and state rules and regulations, fees to be paid by users of the services and facilities of the capital city airport. The *division of air transport and capital city airport* [~~office of air transport~~] shall be divided for administrative purposes into a division of airport operations and a division of flight operations, each of which shall be headed by a director appointed by the secretary with the approval of the governor.

Section 3. KRS 42.014 is amended to read as follows:

(1) There is established within the department the office for policy and management [~~and the office of air transport, each of~~] which shall be headed by an executive director responsible to the secretary and appointed by the secretary upon approval of the governor. The executive director of the office for policy and management shall have the rank and style of deputy secretary of the department, which position shall be in addition to the position of deputy secretary authorized by KRS 42.013.

(2) There is established within the department a bureau of administrative services, a bureau of computer services, a bureau of facilities management and a bureau of public properties, each of which shall be headed by a commissioner responsible to the secretary and appointed by the secretary upon approval of the governor. Each of the bureaus shall have the duties and responsibilities assigned to it by the secretary.

(3) The secretary shall establish the internal organization and assignment of functions which are not established by statute, and shall divide the department into such offices, bureaus, divisions or other units as the secretary may deem necessary to perform the functions, powers and duties of the department, subject to the provisions of KRS chapter 12.

Section 4. KRS 183.024 is amended to read as follows:

The department of transportation may prescribe such rules and regulations, not inconsistent with law, and may do all things reasonable or necessary to carry out the provisions of this chapter and other statutes relating or incidental to the field of aeronautics. [~~The department may acquire aircraft by purchase, lease, or otherwise, necessary for the performance of the functions of the department and state government.~~]

SB 172, AN ACT relating to the bureau of corrections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 196.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "*Secretary* [~~Commissioner~~]" means *secretary of the corrections cabinet* [~~commissioner of corrections~~];

(2) "*Cabinet* [~~Bureau~~]" means *the corrections cabinet* [~~bureau of corrections~~];

(3) "Institution" means any institution under the control of the *corrections cabinet* [~~bureau of corrections~~].

Section 2. KRS 196.030 is amended to read as follows:

(1) The *cabinet* [~~bureau~~] shall, unless otherwise provided by law, exercise all functions of the state in relation to:

(a) Management of penal, reform and correctional institutions;

(b) Supervision of probation and parole;

(c) The giving of assistance to other departments, agencies and institutions of the state and federal government when requested by performing services in conformity with this section;

(d) Acting as the agent of the federal government in matters of mutual concern, and in the administration of any federal funds granted to the state to aid in the performance of any function of this *cabinet* [~~bureau~~].

(2) The provisions of this section shall not apply to any institution, home or agency which does not receive aid from the state, or a county or municipality.

Section 3. KRS 196.035 is amended to read as follows:

The *secretary* [~~commissioner~~] shall, except as otherwise provided in KRS 439.250 to 439.560, have the power and authority to adopt, amend or rescind such rules and regulations as he deems necessary or suitable for the proper administration of the functions of the *cabinet* [~~bureau~~] or any division therein, including qualification for the receipt of federal funds and for cooperation with other state and federal agencies. The *secretary* [~~commissioner~~] is authorized, subject to the provisions of KRS chapters 12, 42 and 45, to appoint, fix the compensation and prescribe the duties and powers of such officers and employes as may be necessary in the performance of his duties. The *secretary* [~~commissioner~~] may delegate to any such person appointed such power and authority as he deems reasonable and proper for the effective administration of the *cabinet* [~~bureau~~].

Section 4. KRS 196.037 is amended to read as follows:

All personnel of the *cabinet* [~~bureau~~], while acting for the *cabinet* [~~bureau~~] in any capacity entailing the maintenance of custody over any prisoners, shall have all the authority and powers of peace officers.

Section 5. KRS 196.070 is amended to read as follows:

The *secretary of the corrections cabinet* [~~commissioner of the bureau of corrections~~] shall:

(1) Supervise and administer the Kentucky state reformatory, the Kentucky correctional institution for women, the Kentucky state penitentiary, *the Luther Luckett correctional complex,* other minimum security correctional institutions established and operated by the *cabinet* [~~bureau~~], or any divisions of those institutions, and the prison industry program within those institutions.

(2) Supervise the employment of prisoners who have not been paroled or conditionally released, either within or without the walls or enclosures of these institutions.

(3) Have the authority to transfer, with the approval of the *secretary* [~~commissioner~~] and the secretary of the department of finance, appropriated funds from the budget of one (1) penal institution to another.

(4) Determine minimum, maximum and conditional release dates of prisoners in accordance with KRS 197.045.

(5) Authorize the transfer of male prisoners between institutions.

(6) Approve the forfeiture or restoration of good time earned by prisoners during their term of confinement.

Section 6. KRS 196.075 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~], under the direction of the *secretary* [~~commissioner~~], shall exercise the functions vested in the *cabinet* [~~bureau~~] relating to probation and parole. The *secretary* [~~commissioner~~] shall make rules and regulations governing parolees and shall have the same powers of arrest as probation and parole officers.

Section 7. KRS 196.110 is amended to read as follows:

The *cabinet* [~~bureau~~] of corrections shall:

(1) Study the sources and causes of crime, delinquency and dependency and suggest and put into effect remedial measures in the prevention and ultimate eradication of antisocial acts and conditions; and

(2) Encourage the employment of the inmates of the institutions under its control in such ways as will contribute to their physical, mental and moral improvement and to meeting the cost of their maintenance. The *cabinet* [~~bureau~~] may utilize the product of inmate labor in the upkeep or maintenance of the respective institutions or for other departments of the state government, and may transfer from one institution to another, or otherwise dispose of, any surplus products produced.

Section 8. KRS 196.120 is amended to read as follows:

(1) The *corrections cabinet* [~~bureau of corrections~~] may lease or purchase farm lands, improved or unimproved, for the employment of the inmates of the institutions under its supervision. The *corrections cabinet* [~~bureau of corrections~~] may prescribe necessary rules and regulations for the support and maintenance of prisoners while at work on the farm, and may construct all necessary improvements on any lands purchased under this section.

(2) Before land is leased, the lease must first be approved by the governor and the lease shall be limited to the term of the governor approving it. The contract price of the lease shall be certified to the department of finance paid as other claims against the state.

Section 9. KRS 196.130 is amended to read as follows:

The University of Kentucky shall, at the request of the *corrections cabinet* [~~bureau of corrections~~], examine and report on any land which the *corrections cabinet* [~~bureau of corrections~~] wishes to investigate with a view to purchase or lease, so that the *corrections cabinet* [~~bureau of corrections~~] may be fully advised as to the quality and character of the soil, water supply, sanitation and other agricultural and engineering problems. The university shall be entitled to receive its necessary expenses in connection with the investigation.

Section 10. KRS 196.140 is amended to read as follows:

When it is necessary for the *cabinet* [~~bureau~~] to own real estate for its use and it is unable to acquire such property by purchase, the *cabinet* [~~bureau~~] may condemn the real estate for its use and purposes in the manner set forth in the Eminent Domain Act of Kentucky.

Section 11. KRS 196.150 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] may accept money from the federal government, or any of its agencies, under any grant agreement entered into by the state of Kentucky or the *corrections cabinet* [~~bureau of corrections~~]. Such money may be expended for capital outlay in accordance with the provisions of KRS 56.440 to 56.550.

Section 12. KRS 196.160 is amended to read as follows:

The *secretary* [~~commissioner~~] shall appoint a superintendent, a receiver and other necessary employes for each of the state penal and correctional institutions. The compensation of these officers and employes may include maintenance.

Section 13. KRS 196.180 is amended to read as follows:

(1) The superintendent shall have the general management of the institution, and the inmates thereof, subject to the rules and regulations of the *corrections cabinet* [~~bureau of corrections~~], and he shall devote his entire time to the duties of his office.

(2) The superintendent of each institution shall be held responsible for the management of his institution and shall be subject to removal at any time by the *secretary* [~~commissioner~~].

Section 14. KRS 196.190 is amended to read as follows:

The receiver shall receive all goods and supplies purchased for the institution, take charge of them, see that they correspond with the bills accompanying them, in character, quality and quantity, and distribute them to each department of the institution as the superintendent directs by written order. The receiver shall open an account with each department in a book for that purpose, charging therein the cost price for all goods so received and distributed. The books shall be open at all times for inspection by the superintendent, the *secretary* [~~commissioner~~], the governor, a committee of the legislature, or any person appointed by either for examination.

Section 15. KRS 196.210 is amended to read as follows:

(1) No advisory member of the board shall recommend or urge that any person shall be employed in any institution.

(2) All officers and employes of the *corrections cabinet* [~~bureau of corrections~~] shall be selected for merit and fitness only and, with the exception of persons employed for special or temporary service, shall give all of their time to the service of the *corrections cabinet* [~~bureau of corrections~~].

Section 16. KRS 196.230 is amended to read as follows:

(1) No officer in the *cabinet* [~~bureau~~] shall sell anything to any institution under the control of the *corrections cabinet* [~~bureau of corrections~~], or make any contract, in which he is interested, with such institution.

(2) Officers and employes shall not be entitled to receive any compensation for their services other than the salary paid them by the state.

(3) No officer or employe of the *corrections cabinet* [~~bureau of corrections~~] or any of the institutions under its control shall accept any fee or gift for any purpose from any person who has at the time or has had a contract to do anything connected with the *corrections cabinet* [~~bureau of corrections~~] or an institution.

Section 17. KRS 196.245 is amended to read as follows:

The *secretary* [~~commissioner~~] is authorized to permit or prohibit the practice of smoking by the inmates of the penal institutions, regardless of the age of the inmates, whenever he believes such regulation will enhance or improve the discipline of the inmates of these institutions.

Section 18. KRS 196.270 is amended to read as follows:

There shall be established and maintained within the *corrections cabinet* [~~bureau of corrections~~] a centralized canteen operation which shall be incorporated and self-supporting. Each institution administered by the *cabinet* [~~bureau~~] shall participate in the canteen operation. The directors of the canteen shall be as follows: the *secretary, the commissioner of the department of adult institutions, the executive director of the office of administrative* [~~commissioner, the deputy commissioner for institutions, the deputy commissioner for support~~] services, the superintendents of the Kentucky state penitentiary, Kentucky state reformatory and Kentucky correctional institution for women, ex officio, and a superintendent from one (1) of the remaining correctional institutions elected at large by the superintendents. All profits from the canteen, including the sale of handicrafts made by inmates to the general public, shall be used exclusively for the benefit of the inmates of the *cabinet* [~~bureau~~]. The directors of the canteen are authorized to consolidate the assets of the existing canteens for this purpose and to employ such staff and inmates as are necessary to efficiently manage the canteen.

Section 19. KRS 196.620 is amended to read as follows:

(1) The *secretary of the corrections cabinet* [~~commissioner of corrections~~] is hereby authorized and directed to do all things necessary or incidental to the carrying out of the compact in every particular and he may in his discretion delegate this authority.

(2) KRS 196.610 may be cited as the Interstate Corrections Compact.

Section 20. KRS 197.010 is amended to read as follows:

Definitions as used in this chapter, unless the context otherwise requires:

(1) "State agency" means any department, board, commission or agency of the state government;

(2) *"Cabinet" means the corrections cabinet* [~~"Bureau" means bureau of corrections~~];

(3) "Penitentiaries" includes the state penal institutions for males at Eddyville and LaGrange, the institution for women located in Shelby County, together with the branches thereof and any other similar institutions hereafter established.

Section 21. KRS 197.020 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] shall:

(1) Formulate and prescribe all necessary regulations and bylaws for the government and discipline of the penitentiary, the rules for the government and official conduct of all officials connected with the penitentiary and for the government of the prisoners in their deportment and conduct;

(2) Prescribe the character of food and diet of the prisoners and rules for the preservation of the health of the prisoners, the daily cleansing of the penitentiary, the cleanliness of the persons of the prisoners, the general sanitary government of the penitentiary and prisoners, the character of the labor, and quantity of food and clothing, and the length of time during which the prisoners shall be employed daily; and

(3) Cause the rules and regulations prescribed by them, together with the law allowing commutation of time to prisoners for good conduct, to be printed and posted in conspicuous places in the cell houses and workshops.

Section 22. KRS 197.030 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] may enter into a contract with any railroad company for the construction of railroad switches, sidetracks or spurs into the yards of the penitentiaries of the state, and may sell and convey rights-of-way owned by the state to any railroad company, and may grant rights-of-way to railroads across any penitentiary property of the state.

Section 23. KRS 197.045 is amended to read as follows:

(1) Any person convicted and sentenced to a state penal institution may receive a credit on his sentence of not exceeding ten (10) days for each month served, except as outlined in subsection (3) of this section, to be determined by the *cabinet* [~~bureau~~] from the conduct of the prisoner. The *cabinet* [~~bureau~~] shall have the authority to forfeit any good time previously earned by the prisoner, or to deny the prisoner the right to earn good time in any amount, if during the term of imprisonment a prisoner commits any offense or violates the rules of the institution.

(2) When two (2) or more consecutive sentences are to be served, the several sentences shall be merged and served in the aggregate for the purposes of the good time credit computation or in computing dates of expiration of sentence.

(3) An inmate may, at the discretion of the *secretary* [~~commissioner~~], be allowed a deduction from a sentence not to exceed five (5) days per month for performing exceptionally meritorious service or performing duties of outstanding importance in connection with institutional operations and programs. Such an allowance shall be an addition to commutation of time for good conduct and under the same terms and conditions and without regard to length of sentence.

Section 24. KRS 197.065 is amended to read as follows:

(1) The *secretary* [~~commissioner~~] shall be charged with the duty of classifying all prisoners and with the duty of segregating said prisoners in all of the state penal institutions and reformatories according to their past records, the probability of their being rehabilitated, the influence such prisoners might exert upon fellow prisoners, and for any other purpose that the *secretary* [~~commissioner~~], in his discretion, may deem sufficient for the discipline of the prisoners in any institution or reformatory, and for the rehabilitation of any of said prisoners.

(2) For the purposes of carrying out subsection (1) of this section, the *secretary* [~~commissioner~~] is vested with the authority to direct and compel the transfer of any prisoner from any penal institution or reformatory, irrespective of the order of the court committing said prisoner to any one (1) institution or reformatory.

Section 25. KRS 197.070 is amended to read as follows:

(1) The *corrections cabinet* [~~bureau of corrections~~] shall provide employment for all prisoners in the penitentiaries and it shall exhaust every resource at its command to provide employment for all prisoners in its custody.

(2) The *cabinet* [~~bureau~~] shall acquire necessary equipment and materials and have manufactured all clothing, except that privately furnished, that is needed for the usual and suitable clothing of all state prisoners, and of all inmates in all state institutions, who are required to be clothed by the state. The *cabinet* [~~bureau~~] shall acquire equipment for the manufacture and production of all other state supplies, that in the reasonable discretion of the *cabinet* [~~bureau~~] is deemed practicable, and shall have such products manufactured, sold and distributed as provided in this chapter.

(3) The *cabinet* [~~bureau~~] shall establish industrial training in the penitentiaries and shall classify state prisoners according to the uses for prison labor and ability and talent of the prisoners, utilizing the best available local talent and such other talent as may be obtained at an economical and practical cost, and shall select a suitable number of guards with such qualifications, whenever possible, and thereby avoid duplicate expense.

Section 26. KRS 197.110 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] shall make such rules and regulations as it deems necessary and proper in relation to:

(1) The classification of prisoners;

(2) The terms and conditions under which prisoners may be assigned to work under the direction of any other state agency;

(3) The adequate care, supervision, guarding, discipline, maintenance, transportation and housing of prisoners when assigned to work outside of the prison. The *cabinet* [~~bureau~~] shall ascertain from the jailer of the county in which the work is being carried on if accommodations are available, and shall place as many prisoners as possible under the care of the jailer;

(4) The payment of money to such prisoners and their dependents for work performed, including the amount to be paid and the manner of the payment and distribution thereof;

(5) Such other purposes as the *cabinet* [~~bureau~~] deems necessary and proper for carrying out the intent of this chapter.

Section 27. KRS 197.120 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] may enter into contracts with any other state agency for the use and employment of prisoners who may be eligible for such assignments. The contracts shall specifically set forth the compensation to be paid to the *corrections cabinet* [~~bureau of corrections~~] for the use and employment of the prisoners, for the payment of the expenses of transporting, guarding, housing, disciplining, and maintaining the prisoners while so employed and the amount to be paid shall be certified by the contracting parties to the department of finance at the end of each month and shall be charged to the appropriation of the agency liable for the payment thereof and credited to the budget of the *cabinet* [~~bureau~~] to be disbursed and expended as it directs. Any such contract may provide for a fixed per diem compensation to be paid to the *cabinet* [~~bureau~~] for each day's work performed by the prisoner and the *cabinet* [~~bureau~~] shall pay, out of the per diem compensation, the expenses of transporting, guarding, disciplining, housing and maintaining prisoners as may be provided in the contracts.

Section 28. KRS 197.150 is amended to read as follows:

(1) The rules and regulations made by the *corrections cabinet* [~~bureau of corrections~~] shall provide some definite compensation to be paid to each prisoner or his dependents for each day he works outside of the prison. The *corrections cabinet* [~~bureau of corrections~~] shall collect information concerning the number and requirements of the dependents of each prisoner, and those with families of greatest dependency shall be given preference in assignments to work outside of the prison, if the record, physical ability and conduct of the prisoner warrants such preference.

(2) The rules and regulations may provide that any infraction of such rules or of the rules governing the discipline of the prisoners, either while confined within the walls of the prison, or while engaged in employment outside the prison, shall work a forfeiture of the benefits authorized in this section, either in whole or in part, in the discretion of the *corrections cabinet* [~~bureau of corrections~~]. Payments to the prisoners or their dependents as authorized by this section shall be made subject to the rules and regulations, as other expenses of the *corrections cabinet* [~~bureau of corrections~~], but only out of the funds made available under the provisions of the particular contract under which the prisoners have been employed.

Section 29. KRS 197.180 is amended to read as follows:

The *cabinet* [~~bureau~~] shall furnish each convict, upon the termination of his sentence, or his release by pardon or parole with not more than seventy-five dollars ($75.00) and a suit of serviceable clothing, suitable to the season, and with transportation to the county from which he was sent. The amount of money to be furnished to the convict shall be based upon his need as determined by the *secretary* [~~commissioner~~] or a person designated by the *secretary* [~~commissioner~~] in accordance with regulations of the *cabinet* [~~bureau~~]. The transportation shall be paid by the state and shall be nontransferable.

Section 30. KRS 197.200 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] is hereby authorized to purchase in the manner provided by law, equipment, raw materials and supplies, and to employ the supervisory personnel necessary to establish and maintain for this state, industries at the penitentiary or any penal farm or institution of the *corrections cabinet* [~~bureau of corrections~~], for the purpose of utilizing the services of prisoners in the manufacture or production of such articles or products, including license plates, road signs and other articles and products heretofore manufactured or produced, as may be needed for the construction, operation, maintenance or use of any office, department, institution or agency supported in whole or in part by this state or the political subdivisions thereof.

Section 31. KRS 197.210 is amended to read as follows:

(1) On and after June 17, 1954, all offices, departments, institutions and agencies of this state which are supported in whole or in part by this state shall purchase, and all political subdivisions of this state shall purchase, when economically feasible from the *corrections cabinet* [~~bureau of corrections~~] all articles or products required by such offices, departments, institutions, agencies, or political subdivisions of this state, produced or manufactured by prison labor, as provided by KRS 197.200 to 197.250, and no such article or product shall be purchased by any such office, department, institution, or agency, from other source, except as hereinafter provided:

(a) Exceptions may be made in any case where, in the opinion of the department of finance, the articles or products so produced or manufactured do not meet the reasonable requirements of such offices, departments, institutions, agencies, or, in any case, where the requisition cannot be reasonably complied with because of an insufficient supply of the articles or products required. However, no office, department, institution or agency, shall be allowed to evade the intent and meaning of KRS 197.200 to 197.250 by slight variations from standards adopted by the division of purchases, when the articles or products produced or manufactured by the *cabinet* [~~bureau~~] in accordance with said standards, are reasonably adapted to the actual needs of such office, department, institution, or agency.

(2) All purchases, under KRS 197.200 to 197.250 shall be made through the department of finance upon requisition by the proper authority of the office, department, institution, agency or political subdivision of this state.

Section 32. KRS 197.230 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~], with the approval of the department of finance, shall establish the prices at which all articles or products manufactured or produced shall be furnished.

Section 33. KRS 197.240 is amended to read as follows:

All moneys collected by the *corrections cabinet* [~~bureau of corrections~~] from the sale or disposition of articles and products manufactured or produced by prison labor in accordance with the provisions of KRS 197.200 to 197.250, shall be forthwith deposited with the state treasurer to be there kept and maintained as special revolving accounts, each designated as a "Trust and Agency Account" as now in effect, and as may be necessary, and such moneys so collected and deposited shall be used for the purposes of carrying out KRS 197.200 to 197.250, except that such moneys may be used for other than prison industry purposes within the *corrections cabinet* [~~bureau of corrections~~] with the approval of the *secretary of the corrections cabinet* [~~commissioner of corrections~~] and the department of finance.

Section 34. KRS 197.250 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] is authorized to enter into contracts approved by the state property and buildings commission with any person or persons upon a self-liquidating basis respecting the acquisition and purchase of any such equipment, tools, supplies and materials, so that it may be paid for over a period of not exceeding five (5) years. The aggregate amount of such purchases or acquisitions shall not exceed two hundred and fifty thousand dollars ($250,000) unless specifically approved by the governor and such amounts are to be payable solely out of the revenues derived from the activities authorized by KRS 197.200 to 197.250. Nothing in this section shall be so construed or interpreted as to authorize or permit the incurring of a state debt of any kind or nature as contemplated by the constitution.

Section 35. KRS 439.177 is amended to read as follows:

(1) Any misdemeanant may petition the sentencing court for parole privileges.

(2) The sentencing judge shall study the record of all persons petitioning for parole and, in his discretion, may:

(a) Cause additional background or character information to be collected or reduced to writing by the *corrections cabinet* [~~bureau of corrections~~];

(b) Conduct hearings on the desirability of granting parole;

(c) Impose on the parolee such conditions as he sees fit;

(d) Order the granting of parole;

(e) Issue warrants for persons when there is reason to believe they have violated the conditions of their parole and conduct hearings on such matters;

(f) Determine the period of supervision for parolees, which period may be subject to extension or reduction;

(g) Grant final discharge to parolees.

(3) The sentencing judge shall keep a record of his acts, and shall notify the appropriate jail official of his decision relating to the persons who are or have been confined therein.

(4) Whenever an order for parole is issued it shall recite the conditions thereof, and such orders shall be transmitted to the *corrections cabinet* [~~bureau of corrections~~].

(5) The period of time spent on parole shall not count as a part of the prisoner's maximum sentence except in determining the parolee's eligibility for a final discharge from parole as set out in subsection (7).

(6) Paroled prisoners shall be under the supervision of the department and subject to its decision for the duration of parole. Supervision of the parolee by the *corrections cabinet* [~~bureau of corrections~~] shall cease at the time of recommitment of the prisoner to the jail as a parole violator, or at the time a final discharge from parole is granted by the sentencing judge.

(7) When any paroled prisoner has performed the obligations of his parole during his period of active parole supervision the sentencing judge may, at the termination of such period to be determined by the sentencing judge, issue a final discharge from parole to the prisoner. Unless ordered earlier by the sentencing judge, a final discharge shall be issued when the prisoner has been out of jail on parole a sufficient period of time to have been eligible for discharge from jail by maximum expiration of sentence had he not been paroled, provided before this date he had not absconded from parole supervision or that a warrant for parole violation had not been issued.

(8) The prisoner convicted of a misdemeanor and released on parole under the provisions of this statute shall be subject to all reasonable *corrections cabinet* [~~bureau of corrections'~~] rules and regulations.

Section 36. KRS 439.179 is amended to read as follows:

(1) Any person sentenced to a jail for a misdemeanor, nonpayment of a fine or forfeiture, or contempt of court, may be granted the privilege of leaving the jail during necessary and reasonable hours for any of the following purposes:

(a) Seeking employment; or

(b) Working at his employment; or

(c) Conducting his own business or other self-employment occupation including, in the case of a woman, housekeeping and attending the needs of her family; or

(d) Attendance at an educational institution; or

(e) Medical treatment.

(2) Unless such privilege is expressly granted by the court, the prisoner is sentenced to ordinary confinement. The prisoner may petition the sentencing court for such privilege at the time of sentence or thereafter, and, in the discretion of the sentencing court, may renew his petition. The sentencing court may withdraw the privilege at any time by order entered with or without notice.

(3) The jailer shall notify the department for human resources which shall endeavor to secure employment for unemployed prisoners under this section. If a prisoner is employed for wages or salary, they shall, by wage assignment, be turned over to the district court which shall deposit the same in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. Such wages or salary are not subject to garnishment of either the employer or the district court during the prisoner's term, and shall be disbursed only as provided in this section, but for tax purposes they are the income of the prisoner.

(4) Every prisoner gainfully employed is liable for the cost of his board in the jail, at the amount established by law. If he defaults his privilege under this section is automatically forfeited. All moneys shall be collected by the district court and paid to the state treasury. The fiscal court may, by ordinance, provide that the county furnish or pay for the transportation of prisoners employed under this section to and from the place of employment.

(5) Unless otherwise ordered by the sentencing court, the wages or salaries of employed prisoners shall be disbursed by the district court on a monthly basis for the following purposes and in the order stated:

(a) The board of the prisoner;

(b) Support of the prisoner's dependents, if any;

(c) Payment, either in full or ratably, of the prisoner's obligations acknowledged by him in writing or which have been reduced to judgment;

(d) The balance, if any, to the prisoner upon his discharge.

(6) If the prisoner was convicted in a justice or a police court, the district judge shall have authority and jurisdiction to make all determinations and orders under this section as might otherwise be made by the sentencing court after the prisoner is received at the jail.

(7) The sentencing court may direct that its functions under subsections (3) or (5) or both be performed by any bonded public official. Such order shall remain in force until rescinded by the district court.

(8) The *corrections cabinet* [~~bureau of corrections~~] shall, at the request of the district judge, investigate and report on the amount necessary for the support of the prisoner's dependents.

(9) The jailer may refuse to permit the prisoner to exercise his privilege to leave the jail as provided in subsection (1) for any breach of discipline or other violation of jail regulations for a period not to exceed five (5) days.

(10) Nothing in this statute shall be construed to affect KRS 64.150 which provides for the payment of fees to the jailer. In this section "jail" refers to all misdemeanant institutions, and "jailer" to the superintendent thereof, but, in counties of the first class, "jailer" designates the sheriff who serves as superintendent of the jail.

(11) In counties containing an urban-county form of government, the duties, responsibilities and obligations vested herein in the *corrections cabinet* [~~bureau of corrections~~] shall be performed by the adult misdemeanant probation and work release agency of the urban-county government.

Section 37. KRS 439.250 is amended to read as follows:

As used in KRS 439.250 to 439.560, unless the context requires otherwise:

(1) "*Secretary* [~~Commissioner~~]" means the *secretary of the corrections cabinet* [~~commissioner of corrections~~];

(2) "*Cabinet* [~~Bureau~~]" means the *corrections cabinet* [~~bureau of corrections~~];

(3) "Board" means the parole board created by KRS 439.320.

Section 38. KRS 439.302 is amended to read as follows:

The commission on correction and community service shall consist of the *secretary of the corrections cabinet, the executive director of the office of community services, the commissioner of the department of adult* [~~commissioner of the bureau of corrections, the deputy commissioner for community services, the deputy commissioner for~~] institutions, the chairman of the parole board, two (2) circuit judges designated by the governor, five (5) public members appointed by the governor, these to include a psychiatrist, a professional educator, a member who is qualified to express the views of business and industry, a member who is qualified to express the views of organized labor, and a practicing attorney, and four (4) at-large appointees. The judicial and public members shall serve for the remainder of the term of office of the governor during whose incumbency they were appointed, unless sooner removed for cause; all other members shall serve during their terms of office. The *secretary of the corrections cabinet* [~~commissioner of corrections~~] shall act as chairman of the commission. All public members of the commission shall receive twenty-five dollars ($25) per day for attending each meeting. Each commission member shall be reimbursed for his necessary travel and other expenses actually incurred in the discharge of his duties on the commission.

Section 39. KRS 439.304 is amended to read as follows:

(1) The commission shall meet at least every three months, and whenever called into session by the chairman, at the request of the governor, of any two or more members of the commission, or on his own motion.

(2) The commission shall advise the governor and the *secretary of the corrections cabinet* [~~commissioner of corrections~~] concerning correctional policy and programs, including particularly the following:

(a) The need for, and the development of new or specialized institutions, facilities, or programs;

(b) The need for, and the effectuation of collaboration and liaison within the *cabinet* [~~bureau~~], and between the *cabinet* [~~bureau~~] and community agencies and resources, including the bench and bar, in order to promote the readjustment and rehabilitation of offenders in institutions or under parole or probation supervision in the community;

(c) The need for, and the development of useful researches in penology, correctional treatment, criminal law, or in the disciplines relevant thereto[~~;~~

~~(d) The need for, and the development of appropriate correctional training programs and evaluation thereof~~].

Section 40. KRS 439.306 is amended to read as follows:

The commission or one or more of its members may visit and inspect any state penal institution, and may inform and advise the *secretary of the corrections cabinet* [~~commissioner of corrections~~] in regard to any such institution's physical or other condition, its discipline, management, program, and its general adequacy or inadequacy. The commission or a majority of its members shall have full access to the grounds and buildings and to the books and records belonging or relating to any such institution, as well as the right to subpoena witnesses, take proof or hear testimony under oath relating to any such institution.

Section 41. KRS 439.310 is amended to read as follows:

The *secretary* [~~commissioner~~], with the approval of [~~the secretary and~~] the governor, shall appoint a person charged with the administration of probation and parole laws, who, with the approval of the *secretary* [~~commissioner~~], shall appoint a number of probation and parole officers and other employes sufficient to administer the provisions of KRS 439.250 to 439.560; but no employe shall be appointed except in the manner hereinafter provided. The person charged with the administration of probation and parole laws shall have attained at least a bachelor's degree from an accredited college and in addition thereto shall be a person with training and experience in probation, parole or other related form of welfare work.

Section 42. KRS 439.320 is amended to read as follows:

(1) The governor shall appoint a parole board consisting of five (5) members, one (1) of whom he shall name as chairman of the board. He shall make each appointment from a list of three (3) names given to him by the commission on correction and community service. Each member appointed to the board must have had at least five (5) years of actual experience in the field of penology, correction work, law enforcement, sociology, law, education, social work, medicine or a combination thereof, or have served at least five (5) years previously on the parole board. No more than three (3) board members may be of the same political party. The board shall be attached to the *corrections cabinet* [~~bureau of corrections~~] for administrative purposes only; the *corrections cabinet* [~~bureau of corrections~~] shall provide such clerical, stenographic, administrative and expert staff assistance as the board deems necessary to carry out its duties.

(2) The office of executive director of the parole board is hereby created. The office shall be headed by an executive director who shall be appointed by and directly responsible to the *secretary* [~~commissioner~~] in matters relating to administration, and directly responsible to the chairman of the board in matters relating to policy. The office shall be responsible for providing support services in the areas of financial, personnel, and facilities management to the operating offices of the board, conducting studies for decision-making needs of the board, and serving as liaison between the *cabinet* [~~bureau~~] and the board. The executive director shall be responsible for drafting all regulations and directives necessary to implement the policies of the board.

(3) The administrative duties of the chairman of the board are transferred to the executive director.

(4) The members of the board shall give full time to the duties of their office and shall receive necessary traveling expenses and a salary to be determined pursuant to KRS 64.640(2), except the chairman of the board shall receive additional compensation of one thousand dollars ($1,000) per year for his services. Their term of office shall be four (4) years and until their successors are appointed and have qualified, except that the first appointments shall be for terms of two (2) years for two (2) members, and four (4) years for three (3) members. Their successors shall be appointed thereafter as provided in this section for terms of four (4) years, and a vacancy occurring before expiration of the term of office shall be similarly filled for the unexpired term. The chairman of the board shall serve as such until the expiration of his term at which time the governor shall name his successor and designate the chairman of the board. If a vacancy occurs in the chairmanship of the board before the expiration of the term the governor may name a successor to serve for the remainder of the unexpired term.

(5) Three (3) members of the board shall constitute a quorum. The organization of the board shall be determined by the chairman.

(6) The governor may not remove any member of the board except for disability, inefficiency, neglect of duty, or malfeasance in office. Before such removal he shall give the member a written copy of the charges against him and shall fix the time when he can be heard in his defense, which shall not be less than ten (10) days thereafter. Upon removal the governor shall file in the office of the secretary of state a complete statement of all charges made against the member and the findings thereupon with a record of the proceedings.

(7) Present members of the board shall be deemed to have vacated their appointment and successors shall be appointed as provided in subsection (4). The governor may reappoint present members if they meet the qualifications set forth in subsection (1).

Section 43. KRS 439.330 is amended to read as follows:

(1) The board shall:

(a) Study the case histories of persons eligible for parole, and deliberate on that record;

(b) Conduct hearings on the desirability of granting parole;

(c) Impose upon the parolee or conditional releasee such conditions as it sees fit;

(d) Order the granting of parole;

(e) Issue warrants for persons charged with violations of parole and conduct hearings on such charges, subject to the provisions of KRS 439.341;

(f) Determine the period of supervision for parolees, which period may be subject to extension or reduction after recommendation of the *cabinet* [~~bureau~~] is received and considered;

(g) Grant final discharge to parolees.

(2) The board shall adopt an official seal of which the courts shall take judicial notice.

(3) The orders of the board shall not be reviewable except as to compliance with the terms of KRS 439.250 to 439.560.

(4) The board shall keep a record of its acts, shall notify each institution of its decisions relating to the persons who are or have been confined therein, and shall submit to the governor a report with statistical and other data of its work at the close of each fiscal year.

Section 44. KRS 439.340 is amended to read as follows:

(1) The board may release on parole such persons confined in any adult state penal or correctional institution of Kentucky as are eligible for parole. All paroles shall issue upon order of the board duly adopted. As soon as practicable after his admission and at such intervals thereafter as it may determine, the *corrections cabinet* [~~bureau of corrections~~] shall obtain all pertinent information regarding each prisoner, except those not eligible for parole. Such information shall include his criminal record, his conduct, employment and attitude in prison, and the reports of such physical and mental examinations as have been made. The *corrections cabinet* [~~bureau of corrections~~] shall furnish the circumstances of his offense and his previous social history to the institution and the board. The *corrections cabinet* [~~bureau of corrections~~] shall prepare a report on such information as it obtains. It shall be the duty of the *corrections cabinet* [~~bureau of corrections~~] to supplement this report with such material as the board may request and submit such report to the board.

(2) Before granting the parole of any prisoner, the board shall consider the pertinent information regarding the prisoner and shall have him appear before it, or one or more members for interview and hearing, except that the board in its discretion may request the parole board of another state confining prisoners pursuant to KRS 196.610 to interview eligible prisoners and make a parole recommendation to the board. A parole shall be ordered only for the best interest of society and not as an award of clemency, and it shall not be considered a reduction of sentence or pardon. A prisoner shall be placed on parole only when arrangements have been made for his proper employment or for his maintenance and care, and when the board believes he is able and willing to fulfill the obligations of a law abiding citizen.

(3) The board shall adopt rules or regulations with respect to the eligibility of prisoners for parole, the conduct of parole and parole revocation hearings, or conditions to be imposed upon parolees. Regulations governing the eligibility of prisoners for parole shall be in accordance with professionally accepted ideas of correction and reform and may utilize in part objective, performance-based criteria; however, nothing herein contained shall preclude the board from utilizing its present regulations in conjunction with such other factors involved that would relate to the inmate's needs and the safety of the public.

(4) Whenever an order for parole is issued it shall recite the conditions thereof.

Section 45. KRS 439.346 is amended to read as follows:

During the period of his parole the prisoner shall be amenable to the orders of the board and the *cabinet* [~~bureau~~].

Section 46. KRS 439.348 is amended to read as follows:

Paroled prisoners shall be under the supervision of the *cabinet* [~~bureau~~] and subject to its direction for the duration of parole. Supervision of the parolee by the *cabinet* [~~bureau~~] shall cease at the time of recommitment of the prisoner to prison as a parole violator, or at the time a final discharge from parole is granted to the parolee by the board.

Section 47. KRS 439.470 is amended to read as follows:

(1) The *secretary* [~~commissioner~~] shall have the power and duty to make rules for the conduct of persons heretofore or hereafter placed on probation or parole, except the *secretary* [~~commissioner~~] shall not make any rule which conflicts with the conditions of probation imposed by the court or conditions of release imposed by the board.

(2) The *executive director of the office of* [~~deputy commissioner for~~] community services shall:

(a) Be responsible for such reports of investigation and supervision as may be requested by the board or the courts;

(b) Divide the state into districts and assign probation and parole officers to serve in the various districts and courts;

(c) Direct the work of such officers and other employees assigned to him;

(d) Formulate methods of investigation, supervision, record keeping and reports;

(e) Conduct training courses for the staff;

(f) Negotiate, with the approval of the *secretary* [~~commissioner~~], with public or private groups or institutions for further training of employes and authorize the expenditure of funds therefor when needed;

(g) Develop policies on probation and parole work in the light of other welfare administration policies.

Section 48. KRS 439.480 is amended to read as follows:

Probation and parole officers shall:

(1) Investigate all cases referred to them for investigation by the *secretary* [~~director~~] or by any court in which they are authorized to serve;

(2) Furnish to each person released under their supervision a written statement of the conditions of probation or parole and instruct him regarding same;

(3) Keep informed concerning the conduct and conditions of each person under their supervision and use all suitable methods to aid and encourage such persons to bring about improvement in their conduct and condition;

(4) Keep detailed records of their work;

(5) Collect and disburse all moneys in accordance with the orders of the commissioner, board or court;

(6) Keep accurate and complete accounts of all moneys received and disbursed in accordance with orders of the commissioner, board or court, and give receipts therefor;

(7) Make such reports in writing as the court or commissioner may require;

(8) Coordinate their work with that of other social agencies and file identifying information regarding their cases with any social service index or exchange operation in the area to which they are assigned.

Section 49. KRS 439.500 is amended to read as follows:

(1) No probation or parole officer of the *cabinet* [~~bureau~~] shall:

(a) Use his office to influence elections, or to influence the political action of any person;

(b) Serve as a member of the campaign committee of any political party;

(c) Interfere with or participate in the preparation for any election, or the conduct thereof at the polling place, or with the election officers while they are performing their duties;

(d) Be in any manner concerned in demanding, soliciting or receiving any assessments, subscriptions or contributions, whether voluntary or involuntary, for any political party or candidate.

(2) It shall be unlawful for any person to be in any way concerned with demanding or soliciting assessments, subscriptions or contributions for any political party or candidate from any member or employe of the *corrections cabinet* [~~bureau~~].

Section 50. KRS 439.510 is amended to read as follows:

All information obtained in the discharge of official duty by any probation or parole officer shall be privileged and shall not be received as evidence in any court. Such information shall not be disclosed directly or indirectly to any person other than the court, board, *cabinet* [~~bureau~~] or others entitled under KRS 439.250 to 439.560 to receive such information, unless otherwise ordered by such court, board or *cabinet* [~~bureau~~].

Section 51. KRS 439.540 is amended to read as follows:

The *cabinet* [~~bureau~~], with the written approval of the governor may:

(1) Enter into an agreement with the governing body of any county or city of this state for their payment of part of the costs of the performance of services within said county or city by the *cabinet* [~~bureau~~] relating to any parole or probation;

(2) Accept from the United States of America or any of its agencies such advisory services, funds, equipment and supplies as may be available to this state for any of the purposes contemplated by KRS 439.250 to 439.560;

(3) Enter into such contracts and agreements with the United States or any of its agencies, or with any independent or private agency as may be necessary, proper and convenient, not contrary to the laws of this state.

Section 52. KRS 439.550 is amended to read as follows:

(1) If any district court places a person on probation following a conviction of crime, either upon verdict or plea, the court may direct that such defendant be under the supervision of the *corrections cabinet* [~~bureau of corrections~~].

(2) In counties containing an urban-county form of government, the urban-county council shall provide for supervision of a person placed on probation or work release by the district court of said county following a conviction of crime, either upon a verdict or plea, under the supervision of an adult misdemeanant probation and work release agency of the urban-county government. The employes of said agency shall be

appointed by the mayor of the urban-county government and shall serve at his pleasure but shall be subject to the direction and control of the judges of the district court in the performance of their duties. There shall be such number of employes of said agency, including clerical personnel, as is reasonably necessary for the operation of said agency, and they shall receive reasonable salaries to be fixed by the urban-county council which salaries shall be paid out of the urban-county treasury.

Section 53. KRS 439.580 is amended to read as follows:

As used in KRS 439.590 to 439.630, unless the context otherwise requires:

(1) *"Secretary"* [~~"Commissioner"~~] means the *secretary* [~~commissioner~~] of the *corrections cabinet* [~~bureau of corrections~~];

(2) *"Cabinet"* [~~"Bureau"~~] means the *corrections cabinet* [~~bureau of corrections~~];

(3) "Facility" means the community correctional center;

(4) "Relative" means a spouse, child (including step-child, adopted child or child as to whom the prisoner, though not a natural parent, has acted in the place of a parent), parent (including a person who, though not a natural parent, has acted in the place of a parent), brother or sister or grandparents.

Section 54. KRS 439.590 is amended to read as follows:

The *corrections cabinet* [~~bureau of corrections~~] may establish community residential correctional centers at locations approved by the legislative body of the area where located as places of confinement for convicted felons. The *secretary* [~~commissioner~~], or such person as said *secretary* [~~commissioner~~] delegates, may, at his own discretion, transfer prisoners to a residential center from any correctional institution for the purpose of facilitating the rehabilitation of the prisoner except as set out in KRS 439.620.

Section 55. KRS 439.600 is amended to read as follows:

(1) The *secretary* [~~commissioner~~], or such person as said *secretary* [~~commissioner~~] delegates, may extend the limits of the place of confinement of a prisoner as to whom there is reasonable cause to believe will honor his trust, by authorizing him, under prescribed conditions, to:

(a)[~~(1)~~] Visit specifically designated places within the boundaries of Kentucky for a period not to exceed seven days and return to the same institution or facility. An extension of limits may be granted only to permit a visit to a dying relative, attendance at the funeral of a relative, the contacting of prospective employers, or for any other compelling reason consistent with the public interest, or to promote the welfare and rehabilitation of the inmate; or

(b)[~~(2)~~] Be transferred to a medical facility outside the correctional facility for such period of time as is required to receive necessary medical services not available in the institution; or

(c)[~~(3)~~] Participate in an educational training program in the community on a voluntary basis while continuing as a prisoner of the institution or facility to which he is committed or confined; or

(d)[~~(4)~~] To do work at paid employment in the community on a voluntary basis returning to the institution or to the facility at night.

(2)[~~(a)~~] A prisoner authorized to work at paid employment in the community under the provision of this subsection shall surrender to the *secretary of the corrections cabinet* [~~commissioner of corrections~~], or his designate, his earnings, less standard payroll deductions required by law. After deducting from the earning of each prisoner an amount determined to be the cost of the prisoner's keep and confinement, which sum shall be deposited in the Kentucky state treasury as trust and agency receipts at the place of confinement of the inmate, the *secretary of the corrections cabinet* [~~commissioner of corrections~~], or his designate shall:

(a)[~~1.~~] Allow the prisoner to draw from the balance a reasonable sum to cover his incidental expenses;

(b)[~~2.~~] Retain to the prisoner's credit such amount as deemed necessary to accumulate a reasonable sum to be paid to him on his release from prison;

(c)[~~3.~~] Cause to be paid any additional balance as is needed for the support of the prisoner's dependents.

Section 56. KRS 439.620 is amended to read as follows:

Before securing employment for any prisoner under the provisions of KRS 439.600, the *secretary* [~~commissioner~~] shall determine:

(1) That such paid employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services; and

(2) That the rates of pay or other conditions of employment will not be less than those paid or provided for work of similar nature in the locality in which the work is performed.

Section 57. KRS 439.630 is amended to read as follows:

The authority conferred upon the *secretary* [~~commissioner~~], or such person as said *secretary* [~~commissioner~~] delegates, to extend the limits of confinement of a prisoner or to grant furloughs by KRS 439.580 to 439.630, extends to all persons committed to any correctional institution or facility.

Section 58. KRS 439.640 is amended to read as follows:

(1) The *secretary of the corrections cabinet* [~~commissioner of the bureau of corrections~~], may, during the last ninety days of confinement of an inmate committed to a correctional facility maintained and operated

by the *cabinet* [~~bureau~~], permit an inmate to participate in a vocational training program in the community on a voluntary basis. Such vocational training program shall be for the express purpose of permitting the inmate to improve vocational skills to assist the inmate to secure permanent employment prior to release by the *cabinet* [~~bureau~~]. The inmate shall be eligible to receive compensation while participating in a vocational training program subject to the discharge of his regular financial obligations, to include standard payroll withholding, maintenance, support of dependents and restitution.

(2) The *secretary* [~~commissioner~~] shall recommend reasonable rules and regulations [~~to the secretary of justice~~] to implement the provisions of the vocational training program.

Section 59. KRS 439.990 is amended to read as follows:

(1) Any superintendent or other officer of any prison or any peace officer who wilfully fails or refuses to execute or obey the orders of the *cabinet* [~~bureau~~], one of its divisions or the board, under any provision of KRS 439.250 to 439.560, shall be fined not less than twenty-five dollars ($25.00) nor more than two hundred dollars ($200).

(2) Any commonwealth's attorney who wilfully violates KRS 439.370 shall be fined one hundred dollars ($100).

(3) Any person who wilfully violates any of the provisions of KRS 439.500 or 439.510 shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding five hundred dollars ($500) or imprisonment not exceeding one (1) year, or both. It shall be the duty of the *secretary* [~~commissioner~~] to dismiss from office or employment any officer or other employee thereof who shall be convicted for violating any of the provisions of KRS 439.500.

SB 174, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 152A.030 is amended to read as follows:

There is established within the department a bureau of energy research and *development, a bureau of energy production and utilization and a bureau of energy conservation and distribution* [~~a bureau of energy management~~]. Each bureau shall be headed by a commissioner appointed by and directly responsible to the secretary in accordance with KRS 12.050. The commissioners shall perform such functions, powers, duties as provided by law and as the secretary may prescribe.

Section 2. KRS 152A.040 is amended to read as follows:

The department of energy, in addition to the bureaus set forth in KRS 152A.030 shall consist of the following organizational units which are hereby created:

(1) Office of the secretary;
(2) Advisory council for energy and natural resources;
(3) Energy research board;
(4) Office of energy *policy* [~~planning~~] and evaluation;
(5) Office of administration.

Section 3. KRS 152A.070 is amended to read as follows:

The office of energy *policy* [~~planning~~] and evaluation shall be headed by an executive director who shall be appointed by and be directly responsible to the secretary in accordance with KRS 12.050. The office [~~of energy planning and evaluation~~] shall assume responsibility for coordinating departmental policies and programs; reviewing state, regional and national energy policies; and other functions and responsibilities that may be delegated by the secretary.

Section 4. KRS 152A.090 is amended to read as follows:

The bureau of energy research *and development* shall be headed by a commissioner, appointed by and be directly responsible to the secretary in accordance with KRS 12.050. The bureau of energy research *and development* shall be responsible for conducting and coordinating energy related research and development activities in Kentucky concerning coal, other fossil fuels and other organic fuels as well as solar and other renewable energy resources. The bureau shall have the responsibility for encouraging demonstration projects of promising technologies and processes for the direct utilization of coal, as well as for converting coal into environmentally acceptable fuels in liquid, gaseous, and solid forms. The bureau shall have responsibility for providing technical assistance to encourage the commercial application of new energy technologies by industries and others in Kentucky. The bureau [~~of energy research~~] shall have additional responsibility as assigned by the secretary. The bureau [~~of energy research~~] shall consist of the following organizational units which are hereby created:

(1) [~~Division of technical assistance. The division of technical assistance within the bureau of energy research shall be headed by a director, appointed by the secretary upon recommendation from the commissioner. The division of technical assistance shall work with the federal, state and local governmental agencies~~

~~and private industry in order to facilitate the commercial application of technologies and processes related to energy.~~

~~(2)~~] Division of demonstration projects. The division of demonstration projects within the bureau of energy research *and development* shall be headed by a director, appointed by the secretary upon recommendation from the commissioner. The division of demonstration projects shall advise the commissioner of the bureau of energy research *and development* and the energy research board on all matters relative to the energy research and demonstration trust fund.

(2)[~~(3)~~] Division of technology assessment. The division of technology assessment within the bureau of energy research *and development* shall be headed by a director appointed by the secretary upon recommendation of the commissioner. The division shall analyze the economic and technological feasibility of coal conversion processes and other technologies for energy development.

Section 5. KRS 152A.100 is amended to read as follows:

The bureau of energy research *and development* shall execute a research program designed to develop new and more effective and environmentally acceptable uses for coal and improve existing uses for Kentucky's fossil fuels and other natural resources. The department of energy may enter into contractual relationships with the institute of mines and minerals research at the university of Kentucky and such other research organizations as deemed appropriate to carry out such research.

Section 6. KRS 152A.110 is amended to read as follows:

The bureau of energy *conservation and distribution* [~~management~~] shall be headed by a commissioner appointed by and directly responsible to the secretary in accordance with KRS 12.050. The bureau [~~of energy management~~] shall have responsibility for conducting research on the impact of current and future energy supply and demand on the Kentucky economy and perform research on transportation, manpower, materials and other appropriate areas that affect the production of fossil fuels; prepare and maintain a continuous inventory of energy requirements and available supplies and capacities; develop major conservation programs involving all sections of the Kentucky economy and including broad public educational efforts as related to desirable conservation and utilization practices; formulate and update at least annually a contingency plan to cope with any energy shortages which may occur from time to time, and such other functions as delegated by the secretary. The bureau [~~of energy management~~] shall consist of the [~~following organizational units which are hereby created:~~

~~(1)~~] division of conservation. The division of conservation shall be headed by a director appointed by the secretary, upon recommendation from the commissioner. The division of conservation shall have responsibility for conducting energy audits of educational facilities, state-owned buildings, and implementation of the Kentucky state energy conservation plans.

[~~(2) Division of energy production. The division of energy production shall be headed by a director appointed by the secretary, upon recommendation from the commissioner. The division of energy production shall be responsible for implementing a program of energy demand projections and promote the efficient and effective production of energy and energy producing fuels in Kentucky through correlation of appropriate programs of other agencies.~~

~~(3) Division of energy distribution. The division of energy distribution shall be headed by a director appointed by the secretary, upon recommendation from the commissioner. The division of energy distribution shall have responsibility for, but not limited to, analyzing existing energy transportation needs and plans, transfer and storage facilities as well as working in cooperation with producers and transporters.~~]

Section 7. KRS 152A.120 is amended to read as follows:

The bureau of energy *research and development* [~~management~~] shall be responsible for energy resource information. The department of energy may enter into a contractual agreement between the department and the Kentucky geological survey and such other organizations deemed necessary in order to perform this function.

SECTION 8. A NEW SECTION OF KRS CHAPTER 152A IS CREATED TO READ AS FOLLOWS:

The bureau of energy production and utilization shall be headed by a commissioner appointed by and directly responsible to the secretary in accordance with KRS 12.050. The bureau shall have responsibility for insuring the increased production of fossil fuels and the expanded use of domestic energy sources. The bureau shall consist of the following organizational units:

(1) Division of coal development. The division of coal development shall be headed by a director appointed by the secretary, upon recommendation from the commissioner. The division shall be responsible for enhancing the markets for Kentucky coal, implementing solutions for improving Kentucky coal production and transportation, providing basic assistance to small coal operators and coordinating assistance to Kentucky's coal operators.

(2) Division of alternate energy development. The division of alternate energy development shall be headed by a director appointed by the secretary, upon recommendation from the commissioner. The division shall be responsible for providing for the application of appropriate technologies, including the development

of solar and other renewable energy resources and small scale hydroelectric plants. The division shall also be responsible for promoting, when feasible, the production of energy from other resources such as solid waste and biomass.

SECTION 9. A NEW SECTION OF KRS CHAPTER 152A IS CREATED TO READ AS FOLLOWS:

There is hereby created a small coal operators advisory council to advise the commissioner of the bureau of energy production and utilization. The council shall advise on matters affecting increased coal production and utilization, including coal market development, transportation and storage problems. The council shall consist of nine (9) members to be appointed annually by the secretary of energy. These members shall be eligible for reimbursement by the bureau for actual expenses directly related to serving on the council.

Section 9. This Act ratifies executive orders 80-473, 80-862 and 81-796.

SB 193, AN ACT relating to the board of housing, buildings and construction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.020 is amended to read as follows:

(1) There is hereby created the Kentucky board of housing, buildings and construction within the Kentucky department of housing, buildings and construction comprised of *twenty (20)* [~~nineteen (19)~~] members to include: the commissioner of the department, one (1) local government fire chief selected by the governor from a list of three (3) submitted by the Kentucky Firemen's Association; the executive director of the Kentucky housing corporation; the commissioner of the bureau of health services, department for human resources; the attorney general or any assistant attorney general he may designate to represent the interests of consumers; one (1) professional homebuilder selected by the governor from a list of three (3) submitted by the Home Builders Association of Kentucky; one registered architect selected by the governor from a list of three (3) submitted by the Kentucky Society of Architects; one (1) registered structural engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) registered mechanical engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) registered electrical engineer selected by the governor from a list of three (3) submitted by the Kentucky Society of Professional Engineers; one (1) citizen member selected by the governor to represent the interests of low and moderate income housing consumers within the commonwealth of Kentucky; one (1) citizen member at large; one (1) practicing general contractor selected by the governor from a list of three (3) submitted by the Kentucky Association of General Contractors; one (1) practicing code administrator selected by the governor from a list of three (3) submitted by the Codes Administrators Association of Kentucky; one (1) realtor selected by the governor from a list of three (3) submitted by the Kentucky Association of Realtors; one (1) member selected by the governor from a list of three (3) submitted by the Kentucky State Building Trades Council; one (1) member selected by the governor from a list of three (3) submitted by the Kentucky Association of Plumbing, Heating and Cooling Contractors; one (1) member selected by the governor from a list of three (3) submitted by the Mechanical Contractors Association; and one (1) electrical contractor member selected by the governor from a list of three (3) submitted by the National Electrical Contractors Association*; and one (1) retailer member selected by the Governor from a list of three (3) submitted by the Kentucky Retail Federation.*

(2) Except for the commissioner of the department, the commissioner of the bureau of health services, the executive director of the Kentucky housing corporation and the attorney general or his designee who shall serve on the board during the term of their existing office and shall be voting members, board members shall be appointed for four (4) year terms, except that initially four (4) shall be appointed for two (2) year terms, four (4) shall be appointed for three (3) year terms, and six (6) shall be appointed for four (4) year terms. No board member shall be appointed for more than one successive term except as provided in subsection (4) of this section. The governor shall, within the limitations of this subsection, set the length of term of each of the initial appointees to the board.

(3) Vacancies occurring on the board among those members appointed by the governor shall be filled by seeking nominations as in subsection (1) of this section from the organization which originally nominated the member who is to be replaced. A replacement for a board member shall be appointed immediately upon the expiration of the departing board member's term of service. Should a board member vacate his position on the board prior to the expiration of his term, his replacement shall be appointed for the period of the unexpired term. Should the unexpired term be less than two (2) years, the person selected to fill the unexpired term may subsequently be appointed to one (1) successive four (4) year term.

(4) Members may be removed from the board by the governor for unethical conduct or for failure to attend three (3) or more successive meetings of the board without reasonable cause.

(5) The board shall meet at least quarterly, and the first meeting shall occur no later than August 31, 1978. Before assuming their duties, members of the board shall take an oath as specified in Section 228 of the Constitution of Kentucky.

(6) The commissioner of the department shall serve as chairman of the board. The board may elect from its members other officers as are required to conduct its business, except that neither the commissioner of the bureau of health services, the executive director of the Kentucky housing corporation nor the attorney general or his designee shall be elected to office on the board.

(7) The board may adopt such rules, regulations and bylaws as are necessary to conduct its internal business.

(8) No member of the board may vote on any matter which will result in his direct or indirect financial gain.

(9) Those members of the board who are not salaried governmental employes shall be compensated for their time when attending board meetings or attending to official duties as directed by the board at the rate of fifty dollars ($50) per day. All board members shall be compensated for expenses incurred in the conduct of board business.

SB 284, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

(1) "Electronic or electromechanical voting system" means a system of casting votes by use of marking devices and tabulating ballots employing automatic tabulating equipment or data processing equipment.

(2) "Automatic tabulating equipment" means apparatus necessary to automatically examine and count votes as designated on ballots and data processing machines which can be used for counting ballots and tabulating results.

(3) "Voting device" means either an apparatus in which paper ballots or ballot cards are used in connection with an implement by which a voter registers his votes with ink or other substance or by punching, or an apparatus by which such votes are registered electronically, so that in either case the votes so registered may be computed and tabulated by means of automatic tabulating equipment.

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device.

(5) "Ballot label" means the cards, papers, booklet, pages or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines.

(6) "Ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of voters in any primary, general or special election by the secretary of state or the county clerk.

(7) "Voting punch device" means an apparatus in which ballots or ballot cards are inserted for the piercing of ballots by the voter. The hole may be in the form of a round dot, rectangle, square, or any other shape that will clearly indicate the intent of the voter.

(8) "Vote marking device" means any approved device for marking a paper ballot with ink or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment.

(9) "Secrecy envelopes" means the envelope handed to the voter with his ballot into which the voter shall place his voted ballot cards.

(10) "Precinct ballot counter" means an automatic tabulating device used at the precinct to tabulate and process ballots.

(11) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his votes in an election.

SECTION 2. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) The fiscal court of any county, or any urban county government, may acquire by purchase or lease or lease-purchase agreement or abandon any voting system covered by this Act, provided such equipment has been approved by the state board of elections. The fiscal court shall notify the state board of elections that a new voting system is being installed in the county.

(2) The county board of elections of any county may petition the state board of elections to allow a new voting system in the county if an emergency exists. The petition must state the reasons why the present

equipment is inadequate. Within sixty (60) days of the receipt of the petition the state board of elections shall notify the county board of elections whether the permission to obtain a new voting system is approved or disapproved. The letter of approval must be presented to the fiscal court for its approval before any new voting system is acquired.

SECTION 3. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Any person or corporation owning, manufacturing or selling any electronic voting system, may request the state board of elections to examine such system. Before requesting such examination or reexamination, any such person, persons, or corporation shall pay to the state treasurer an examination fee of five hundred dollars ($500). The state board of elections may, at any time, reexamine any system already approved. The state board of elections shall approve or disapprove any voting system within thirty (30) days after the date of its initial submission.

(2) Upon receipt of a request for examination of an electronic voting system, the state board of elections shall require that such system be examined or reexamined by three (3) examiners. The state board of elections shall appoint one (1) examiner who is an expert in patent law, one (1) examiner shall be an expert in computer science or automatic tabulating equipment, and one (1) person knowledgeable in election procedures in Kentucky. The three (3) examiners shall submit a written report on each system examined or reexamined to the state board of elections. The members of the state board of elections shall also examine or reexamine the system. If the report states that the system can be safely used by the voters and the state board of elections finds that the system meets all of the requirements of this Act the system shall be approved. The report and a letter of approval shall be filed in the office of the state board of elections.

(3) Any electronic voting system not approved by the state board of elections shall not be used at any election.

(4) When an electronic voting system has been approved any improvement or changes in the system shall render necessary the examination or approval of such system or improvement.

(5) Neither the members of the state board of elections, nor any examiner appointed by the state board of elections, nor any member of a county board of elections shall have any pecuniary interest in any electronic voting system.

(6) Each examiner appointed by the state board of elections shall receive fair compensation to be established by the state board of elections.

SECTION 4. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

No electronic voting system shall, upon any examination or reexamination, be approved by the state board of elections unless it shall be established that such system, at the time of examination or reexamination:

(1) Provides for voting in secrecy;

(2) Permits each voter to vote at any election for all candidates and questions for which he is lawfully entitled to vote, and no others;

(3) Permits each voter, at the general election to vote a straight political party ticket by one or more marks or acts;

(4) Provides a method for write-in voting;

(5) Provides for a nonpartisan ballot;

(6) If it is of a type that registers the vote electronically, the voting system shall preclude each voter from voting for more persons for any office than he is entitled to vote for or upon any question more than once;

(7) Permits each voter at a primary election to vote only for the candidates seeking nomination by a political party in which such voter is registered, and for any candidate for nonpartisan nomination, and for any question upon which he is entitled to vote;

(8) If it is of a type that registers the vote electronically, the voting systems shall permit each voter to change his vote for any candidate or upon any question appearing on the official ballot up to the time that he takes the final step to register his vote and to have his vote computed. If it is of a type that uses paper ballots or ballot cards to register the vote and automatic tabulating equipment to compute such votes, the system shall provide that a voter who spoils his ballot may obtain another ballot;

(9) Is suitably designed for the purpose used, is constructed of a durable material, and is safely transportable;

(10) Is so constructed that a voter may readily learn the method of operating it;

(11) If the voting system is of a type which provides for the computation and tabulation of votes at the precinct level, the automatic tabulating equipment shall include the following mechanisms or capabilities:

(a) A public counter or printed register, which shall show during any period of operation the total number of ballots entered for computation and tabulation;

(b) A lock, or locks, either mechanical or under program control, by the use of which all operation of the tabulation element of the automatic tabulating equipment is absolutely prevented immediately after the polls are closed or where the tabulation of votes is completed;

(c) It shall be so constructed and controlled that, during the progress of voting, it shall preclude every person from seeing or knowing the number of votes registered for any candidate or question; and it shall preclude every person from tampering with the tabulating element;

(d) If the number of choices recorded for any office or on any question exceeds the number for which the voter is entitled to vote, it shall reject all choices recorded on the ballot for that office or question;

(e) It shall be equipped with an element which generates a printed record at the beginning of its operation which verifies that the tabulating elements for each candidate position and each question and the public counter are all set to zero and with an element which generates a printed record at the finish of its operation of the total number of voters whose ballots have been tabulated, the total number of votes cast for each candidate whose name appears on the ballot, and the total number of votes cast for, or against, any question appearing on the ballot;

(f) It shall be so designed that only those ballots which have write-in choices shall be subject to handling after the voter has cast his ballot; all such ballots shall be handled only at the close of the polls and only by the election officials at the precinct who shall visually verify and tabulate the write-in votes cast;

(12) If the voting system is of a type which provides for the computation and tabulation of all votes at a central counting center, the central automatic tabulating equipment shall include the following mechanisms or capabilities:

(a) It shall be constructed so that every person is precluded from tampering with the tabulating element during course of its operation;

(b) If the number of choices for any office or on any question exceeds the number for which the voter is entitled to vote, it shall reject all choices recorded on the ballot for that office of question;

(c) It shall have a means by which to verify that the tabulating elements for each candidate position and for each question are all set to zero and shall be able to generate a printed record of each precinct showing the total number of voters whose ballots have been tabulated, the total number of votes cast for each candidate whose name appears on the ballot, and the total number of votes cast for, or against any question. It shall also be capable of generating cumulative election totals.

SECTION 5. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

The state board of elections shall prescribe rules and regulations which shall include but not be limited to the following:

(1) Achieve and maintain the maximum degree of correctness, impartiality, and efficiency of the procedures of voting;

(2) Count, tabulate, and record votes;

(3) Establish a method for placing items on the electronic voting device, which shall, as closely as possible, follow the requirements pertaining to ballot labels;

(4) Design the ballot cards, including a numerical system to insure an accurate record of all voting activities;

(5) Instruct voters in the use of the voting device;

(6) Provide for checking the accuracy of the equipment;

(7) Provide necessary supplies, including those necessary for a write-in vote and secrecy envelopes for punch cards or data processing cards to insure voter privacy;

(8) As part of the official canvass, provide for a manual recount of randomly selected precincts representing 3%-5% of the total ballots cast in each election.

(9) Provide a method for maintaining sufficient documents and records so that votes can be recounted. Such documents and records shall include any material other than a ballot card which is imprinted with the names of candidates and issues voted upon. Records shall be maintained in such a manner that a specific piece of printed material listing issues and candidates can be matched with the specific ballot cards which were marked in reliance upon such printed material. Such documents and records shall be maintained for fifteen (15) days following an election.

SECTION 6. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) A voter who spoils or defaces a ballot card or marks it erroneously shall return the card to the election officials. The election officials shall deliver to the voter another ballot card, but no voter may receive more than three (3) ballot cards including the one originally delivered to the voter. Upon return of a defective ballot card, an election official shall cancel it by writing in ink on the back the word "spoiled." The cancelled ballot card shall be placed with spoiled ballots to be returned with the election returns.

(2) After marking the ballot card, the voter shall place it inside the secrecy envelope and return it to an election official, who shall deposit the ballot in the ballot box. When precinct ballot counters are

used the voter may either insert his ballot contained in the secrecy envelope provided and deposit the emptied ballot container envelope with the election official presiding over the ballot counter or deposit the ballot in the ballot box for processing by precinct election officials after the polls close.

SECTION 7. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) In any county in which the fiscal court has adopted voting by means of an electronic voting system, the county board of elections may elect to also conduct absentee voting by the use of such a system.

(2) When a ballot card is used for voting by mail it shall be accompanied by a stylus, voter instructions, and a specimen ballot showing the proper positions to vote on the ballot card for each candidate or question. The card shall be mounted on material suitable to receive the punched out chip.

SECTION 8. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

On any day not more than ten (10) days prior to the election day, the county clerk shall have the automatic tabulating equipment tested in the manner prescribed by the state board of elections.

SECTION 9. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

The provisions of all laws relating to elections not inconsistent with this Act apply to elections in all counties in which electronic or electromechanical tabulation of ballots are used.

SECTION 10. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 1984, the state board of elections shall submit a biennial report to the legislature concerning the status of various voting equipment and voting systems that are in use or are approved for use in this state. This report shall also contain any recommendations by the secretary of state as to election law modifications relating to the acquisition and use of voting equipment and voting systems.

SECTION 11. A NEW SECTION OF KRS CHAPTER 119 IS CREATED TO READ AS FOLLOWS:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device;

(4) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

SECTION 12. A NEW SECTION OF KRS CHAPTER 120 IS CREATED TO READ AS FOLLOWS:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device.

(4) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

Section 13. KRS 64.300 is amended to read as follows:

(1) The fees of notaries public for the following services shall be not more than set out in the following schedule:

Every attestation, protestation, or taking acknowledgment of any instrument of writing, and certifying the same under seal including, but not limited to, the notarization of *votes of* absentee *voters* [~~ballots~~]	$0.50
Recording same in book to be kept for that purpose	.75
Each notice of protest	.25
Administering oath and certificate thereof	.20

(2) No fee or compensation shall be allowed or paid for affixing the jurat of a notary public to any application, affidavit, certificate or other paper necessary to be filed in support of any claim for the benefits of federal legislation for any person or his dependents who has served as a member of the army, navy, or marine corps of the United States.

Section 14. KRS 65.170 is amended to read as follows:

(1) A district may be dissolved by a referendum as provided in this section.

(2) Persons seeking dissolution of a district shall submit a petition to the county clerk signed by at least fifty percent (50%) of that class of citizens who may by law petition for the creation of the district.

(3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders or landowners as determined by subsection (2) of this section) living within (name of the district and containing a metes and bounds description of the district) hereby request that the question of the dissolution of the district be put to a referendum." The petition shall conspicuously state in layman's terms that any legal obligations of the district must be satisfied before the district can be dissolved and that the citizens of the district shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.

(4) If the county clerk determines that the petition is in proper order, he shall certify the petition to the fiscal court. The fiscal court shall direct that the question be placed *before* [~~on~~] the *voters* [~~ballot~~] at the next regular election held more than sixty (60) days from the certification of the petition. The fiscal court shall bear the costs of advertising and placing the question *before* [~~on~~] the *voters* [~~ballot~~].

(5) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the [~~question for the ballot. The ballot shall contain the~~] following admonition to the voter: "The (name of district) may have existing legal obligations that must be satisfied before the district can be dissolved. The citizens of the district shall be responsible for the satisfaction of any such obligations." The question of the dissolution of the district shall be placed *before* [~~on~~] the *voters* [~~ballot~~] in substantially the following form: "The (name of the district and containing a metes and bounds description of the district) should be dissolved." The voter shall vote "yes" or "no."

(6) Registered voters eligible to sign a petition for dissolution as provided by subsection (2) of this section shall be eligible to vote on the question of dissolution.

(7) In referendums under this section, provision shall be made for those opposing the dissolution of the district to have equal representation with the proponents of the measure in the determination of eligibility of voters, and in the observance of canvassing and certifying of the returns.

Section 15. KRS 66.050 is amended to read as follows:

(1) If, in any year, the legislative body of a city of the first or second class deems it necessary to incur any indebtedness that cannot be paid without exceeding the income and revenue provided for the city for that year, it shall, by ordinance, order an election by the voters of the city to determine whether the indebtedness shall be incurred and bonds issued therefor. The ordinance shall specify the amount of the indebtedness proposed to be incurred, the purpose, and the amount of money necessary to be raised annually by taxation for an interest and sinking fund. The ordinance shall be published pursuant to KRS chapter 424. The city shall file a certified copy of the ordinance with the county clerk of the county in which the city is located, at least thirty (30) days prior to the next regular election, and thereupon the county clerk shall cause the question of incurring the indebtedness and issuing bonds to be *prepared for presentation to the voters* [~~printed upon the ballots to be used~~] in the city precincts. The election shall be held under the general election laws.

(2) If two-thirds (⅔) of the votes cast on the question are in favor of incurring the indebtedness, the city legislative body may incur the indebtedness and issue bonds of the city, and shall by ordinance provide for the mode of creating and paying the indebtedness. The ordinance shall provide for the levy and collection of an annual tax upon all taxable property within the city, sufficient to pay the interest on the indebtedness and create a sinking fund for the payment of the principal within a period of not more than forty (40) years from the time of incurring the indebtedness. The annual tax shall be levied and collected at the same time as other taxes, and shall be in addition to all other taxes. The proceeds of the tax, when collected, shall be kept in the city treasury as a separate fund, to be inviolably appropriated to the payment of the principal and interest of the indebtedness.

Section 16. KRS 67.260 is amended to read as follows:

(1) At the general election for the election of new officers for the new county, the voters of the combined area to be embraced within the new county shall select a name for the new county and a site for the county seat from among the names and sites recommended by the commissions as provided in KRS 67.240. The question of the selection of a name and county seat for the new county shall be submitted to the voters *at* [~~on the ballot for~~] the election in the following form:

"I am in favor of

....

....

....

(These spaces shall be filled in with the names for the new county recommended by the commissions) as the name for the new county to be formed by the consolidation of .... and .... Counties. (Fill in these spaces with the names of the two counties to be consolidated.)

The voter shall be instructed to indicate his [~~"Note to Voter: Indicate your~~] choice *of one of the names presented* [~~by stamping in the box opposite the name you select~~].

"I am in favor of

....

....

....

(These spaces shall be filled in with the names of the sites for the county seat of the new county recommended by the commissions) as the site for the county seat of the new county formed by the consolidation of .... and .... Counties. (Fill in these spaces with the names of the two counties to be consolidated.)

The voter shall be instructed to indicate his [~~"Note to Voter: Indicate your~~] choice *of one of the names presented.* [~~for the county seat by stamping in the box opposite the name of the site you favor."~~]

(2) The new county shall bear the name approved by the majority of the voters of the combined area of the new county, voting on the proposition, and the county seat of the new county shall be located at the site approved by the majority of the voters of the combined area of the new county voting on the proposition. The name of the county shall not be changed thereafter, and the county seat shall not be changed thereafter, except as authorized by KRS 67.020.

(3) Whenever an election is held in any county on the question of consolidation of such county with any other county, no election affecting the consolidation of said county shall be held within four years thereafter, except the election as provided for in KRS 67.250 and this section.

Section 17. KRS 67A.020 is amended to read as follows:

Upon a petition filed with the county clerk and signed by a number of registered voters equal to 5 per cent of voters of the county voting in the immediate past general election, and, upon additional petitions equal to the number of municipal corporations within the county, filed with the county clerk and signed by a number of registered voters equal to 5 per cent of the number of voters of each municipal corporation, voting in the immediate past general election, requesting a referendum be held on the question of adopting the urban county form of government, the fiscal court and the council of the largest city within the county shall appoint a representative commission composed of not less than twenty (20) citizens which shall devise a comprehensive plan of urban-county government. The plan shall include a description of the form, structure, functions, powers and officers and their duties of the proposed urban-county government; the procedures by which the original plan may be amended; and such other provisions as the commission shall determine; and shall be consistent with the provisions of the Constitution of Kentucky. This plan shall be advertised at least ninety (90) days before a general election at which the voters will be asked to approve or disapprove the adoption of the plan. The *votes* [~~ballots~~] shall be counted, returns made and canvassed as in other elections, and the results shall be certified by the county board of election commissioners to the county clerk. If it appears that a majority of those voting are in favor of adopting the plan, the commissioners shall enter such fact of record and shall organize the urban-county government.

Section 18. KRS 68.540 is amended to read as follows:

(1) If a majority of those voting on the question of any public service program approve such particular public service program, such particular public service program shall be adopted. The county clerk shall cause the question to appear *before* [~~on~~] the *voters* [~~ballots or voting machine slips used~~], and the election results shall be canvassed and certified by the county board of election commissioners.

(2) If any public service program is approved by the electorate as herein provided, the specific tax so approved by the qualified voters in respect to such specific public service program shall be levied by the fiscal court in the manner provided by law, and such tax revenues shall be devoted solely to the public service program for which such specific taxes are levied. All such voted taxes shall be in addition to all other taxes otherwise authorized and provided by law, and shall be deemed to be voted levies pursuant to KRS 68.245(1) not otherwise subject to the limitations contained therein.

Section 19. KRS 81A.030 is amended to read as follows:

(1) Whenever a first-class city desires to annex all or any part of a city of the second, third, fourth, fifth or sixth class, the legislative body of the first-class city shall pass an ordinance designating the city proposed to be annexed, or defining accurately the part proposed to be annexed, declaring it to be desirable to annex the city or part, and providing that the question of whether or not the city or part shall be annexed shall be submitted to the qualified voters of the city to be annexed, or, if only part of the city is proposed to be annexed, to the qualified voters residing in that part, at the next regular election to be held therein, if the next regular election is not held within sixty (60) days after the passage of the ordinance.

(2) The mayor of the first-class city shall deliver a certified copy of the ordinance to the county clerk, who shall, if it is proposed to annex the whole city, have *prepared for presentation to the voters* [~~printed on the ballots provided for use~~] in the city proposed to be annexed, the question: "Are you in favor of being annexed to the City of ...."? *Voters shall be instructed to vote* [~~Opposite the question shall be printed~~] "Yes" *or* [~~and~~] "No".[~~,"~~] [~~with squares for stamping the cross mark to indicate preference.~~] If it is proposed to annex only a part of the city, the clerk shall have the question *prepared for presentation to the voters* [~~printed~~

~~on the ballots provided for use~~] in each precinct embraced in whole or in part within that part of the city proposed to be annexed. If only a part of any precinct is embraced within that part of the city proposed to be annexed, *those* [~~the clerk of the election shall mark an "X" with the black ink stencil in the squares opposite both the words "Yes" and "No" upon the ballots of all~~] persons voting who reside in the precinct but not in that part of it proposed to be annexed *shall not vote on the question*[~~, before he delivers the ballots to those voters~~]. The clerk shall cause the sheriff to deliver to the election officers in each precinct copies of the ordinance proposing to annex.

(3) If one-half (½) or more of those voting on the proposition vote in favor of annexing, the city proposing to annex shall pass an ordinance declaring the smaller city or part annexed, and the smaller city or part shall then become a part of the annexing city.

(4) If less than one-half (½) of those voting on the proposition vote in favor of annexing, the ordinance proposing annexation shall become ineffectual for any purpose.

Section 20. KRS 81A.420 is amended to read as follows:

(1) Whenever a city desires to annex unincorporated territory, the legislative body of the city proposing to annex shall enact an ordinance stating the intention of the city to annex. Such ordinance shall accurately define the boundary of the unincorporated territory proposed to be annexed, and declare it desirable to annex the unincorporated territory.

(2) If following the publication of the annexation ordinance pursuant to subsection (1) of this section and within sixty (60) days thereof, or if in any annexation proceeding where the annexing city has not adopted a final annexation ordinance, within sixty (60) days following July 15, 1980, fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election occurring at least sixty (60) days after the petition is presented to the county clerk.

(a) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, who shall have *prepared to be placed before* [~~printed on~~] the *voters* [~~ballot provided for use~~] in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ________?" If only a part of any precinct is embraced within the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

(b) If less than seventy-five percent (75%) of the qualified voters in the area to be annexed oppose annexation, the unincorporated territory shall become a part of the city.

(c) If seventy-five percent (75%) or more of the qualified voters in the area to be annexed oppose annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

(3) In not less than sixty (60) days after the enactment of the ordinance, if no petition has been received by the mayor as set out herein, or within sixty (60) days of the certification of election results in which less than seventy-five percent (75%) of the qualified voters in the area opposed annexation, the legislative body may enact an ordinance annexing to the city the territory described in the ordinance. Upon the enactment of this ordinance, the territory shall become part of the city for all purposes.

Section 21. KRS 81A.430 is amended to read as follows:

[~~(1)~~] Whenever a city desires to annex all or part of a city of the second, third, fourth, fifth or sixth class, the legislative body of the city proposing to annex shall enact an ordinance stating the intention of the city to annex. Such ordinance shall accurately define the boundary of the city or portion thereof proposed to be annexed, declaring it desirable to annex the city or portion thereof and providing that the question of annexation shall be submitted to the qualified voters of the city or portion thereof to be annexed at the next regular election. The mayor of the city proposing to annex shall certify the action of the city to the county clerk, who shall have *prepared for presentation to the voters* [~~printed on the ballots provided for use~~] in the city or portion thereof proposed to be annexed, the question: "Are you in favor of annexing to the City of ________?" If a majority of those voting on the proposition favor annexation, the city proposing to annex shall pass an ordinance declaring the other city or portion thereof annexed, and that city or portion thereof shall then be a part of the annexing city.

Section 22. KRS 83A.100 is amended to read as follows:

(1) The legislative body of a city may by ordinance divide the city into the same number of wards as the number of legislative body members. Wards shall be as nearly equal in population as practicable and their boundaries shall be fixed by the ordinance.

(2) The populations of wards shall be reviewed as necessary to insure that populations are as nearly equal as practicable, but in no event shall the populations of wards be reviewed for equalization less often than each regular federal census.

(3) Wards may be abolished by repeal of the ordinance creating them. No creation, alteration or abolition of wards shall occur within two hundred forty (240) days preceding a regular election.

(4) If a city is divided into wards, legislative body members shall be nominated and elected in the following manner:

(a) Members shall be elected in the regular November election at-large but each candidate shall reside in the ward he seeks to represent and shall be elected in such a manner that each ward is equally represented on the legislative body. The *names* [~~ballot~~] shall be *presented in the election* [~~arranged~~] to show for which ward each candidate is seeking election and *voters* [~~above the names of the candidates~~] shall be *instructed to* [~~printed the words~~] "vote for one candidate in each ward." The candidate receiving the highest number of votes cast in each ward shall be deemed to be elected from such ward.

(b) Persons seeking the nomination of a political party for the office of council member where a primary election is required for such political party, shall be voted upon exclusively by the eligible voters of the ward in which the person resides and seeks to represent.

Section 23. KRS 83A.120 is amended to read as follows:

(1) Any public question authorized by statute may be submitted to the voters of a city by either a resolution of the city legislative body or a petition meeting the requirements of this section. The resolution or petition shall set out in full the matter to be considered. The proposal shall be drafted in such a way that a vote in favor of adoption shall be a vote in favor of the effect or impact of the proposal.

(2) Any five (5) qualified voters of the city may commence petition proceedings by filing with the county clerk an affidavit stating they constitute the petition committee and will be responsible for circulating the petition and filing it in proper form. The affidavit shall state their names and addresses and specify the address to which all notices to the committee are to be sent. It shall set out in full the proposal to be considered by the voters. Promptly after the affidavit of the petition committee is filed, the county clerk shall notify the petition committee of all statutory requirements for petitions under this section and shall deliver a copy of the affidavit to the legislative body of the city.

(3) All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil and shall be followed by the address of the person signing. Petitions shall be signed by registered voters of the city equal in number to at least twenty percent (20%) of the total number of votes cast in the city in the last presidential election. When it is filed, each sheet of a petition shall have an affidavit executed by the circulator stating that he personally circulated the sheet, the number of signatures thereon, that all signatures were affixed in his presence, that he believes them to be the genuine signatures of registered voters in the city and that each signer had an opportunity before signing to read the full text of the proposal. Petitions shall contain or have attached throughout their circulation the full text of the proposal.

(4) Within thirty (30) days after the petition is filed, the county clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall send a copy to the petition committee and to the city legislative body by registered mail. A petition certified insufficient for lack of the required number of valid signatures may be amended once if the petition committee files a notice of intention to amend it with the county clerk within five (5) days after receiving the copy of his certificate and files a supplemental petition upon additional sheets within thirty (30) days after receiving the certificate. The supplemental petition shall comply with the requirements of subsection (3) and within ten (10) days after it is filed the county clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of the certificate to the petition committee and to the city legislative body by registered mail.

(5) A final determination as to the sufficiency of a petition shall be subject to review in the circuit court of the county and shall be limited to the validity of the county clerk's determination. A final determination of insufficiency shall not prejudice the filing in accordance with this section of a new petition for the same purpose.

(6) Upon receipt of a resolution requesting that the question be submitted to the voters or upon certification of a petition as sufficient, the county clerk shall *have prepared to* place *before* [~~upon~~] the *voters of the* city *at* [~~ballot for~~] the next regular election that is held not earlier than ninety (90) days after receipt of the resolution or the certification of the petition the question [~~to be submitted to the voters~~], which [~~question~~] shall be "Are you in favor of the proposal entitled__________? Yes________ No______." The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as the *remaining voter information* [~~sample ballot~~], the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal.

(7) The provisions of general election law shall apply to public questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the mayor and the certificate shall be entered upon the records of the city at the next regular meeting of the city legislative body.

Section 24. KRS 83A.170 is amended to read as follows:

(1) In any city which has under the provisions of KRS 83A.050 required nonpartisan city elections, or in any city of the second class operating under the city manager form of government pursuant to KRS 83A.150, no person shall be elected to city office except as provided in this section.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary election to be held at the time prescribed by law for primary elections generally. Nonpartisan primary elections shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, at least fifty-five (55) days before the primary election, file with the county clerk a petition signed by at least one percent (1%) of the registered voters in the city or twenty (20) voters, whichever is less, in the following form:

"We the undersigned, qualified voters of the City of ______________ request that the name of ______________ be placed *before* [~~on~~] the *voters of the* city [~~ballot~~] as that of an applicant for nomination for the office of ______________ at the primary election to be held in our city on the first Tuesday after the fourth Monday in May, ________. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
______________	______________	______________
______________	______________	______________”
______________	______________	______________

The petition shall be verified by the affidavit of some person as to the genuineness of signatures and addresses of the signers. No voter shall sign more than one (1) petition with reference to each applicant. If any voter signs more than one (1) petition of an applicant, the name of that voter shall not be counted as valid on any petition.

(4) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear *before the voters at* [~~upon~~] the primary [~~ballot~~].

(5) Subsection (4) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled. In that case, the applicants for nomination shall thereby be nominated and no primary election shall be held for that office.

(6) Names of applicants for each nomination shall be placed *before the voters of* [~~on~~] the city [~~ballot~~]. *The voters* [~~Above names of applicants for nomination for all city offices~~] shall be *instructed to* [~~printed the words "~~] vote for one *candidate*[~~"~~], except *that they shall be instructed to vote for the number of legislative body members to be elected* [~~above names of applicants for nominations for legislative body member~~] in cities nominating legislative body members at-large [~~shall be printed the words "vote for ____________ (the number of legislative body members to be elected)~~].[~~"~~] No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(7) Persons qualified to vote at a regular election are qualified to vote at a nonpartisan primary election and the law applicable to challenges made at a regular election is applicable to challenges made at a nonpartisan primary election.

(8) Votes shall be counted as provided in general election laws and the result shall be published as provided in KRS Chapter 424.

(9) The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated.

(10) At the regular election following a nonpartisan primary election, the names of the successful nominees shall be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(11) The nominee receiving the greater number of votes cast for each city office shall be elected.

(12) General election law prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

Section 25. KRS 96.183 is amended to read as follows:

The governing body of the municipality may terminate the operation and management of the electric and water plant by the board under the provisions of KRS 96.171 to 96.188 only by first complying with the following provisions, to wit:

(1) The governing body of the municipality, upon the adoption of an ordinance declaring the desire of the municipality to terminate the operation of the electric and water plant by the board under the provisions of KRS 96.171 to 96.188, may direct that such question be submitted to an election of the qualified voters of the municipality. The mayor shall certify such ordinance to the county clerk, who shall *have prepared to be placed before*[~~, of~~] the *voters* [~~ballots provided for use~~] in the general November election, [~~in the municipality (if however there is no municipal election a separate ballot shall be provided), have printed thereon~~] the question: "Are you in favor of the termination of the operation and management of the electric

and water system of the city by the Electric and Water Plant Board?" *The voters shall be instructed to indicate a* [~~Opposite the question, the words~~] "Yes" *or a* [~~and~~] "No" *vote.*[~~, with proper squares for stamping the cross mark to indicate preference, shall appear.~~]

(2) The mayor of such municipality shall advertise such election and the object thereof by publication pursuant to KRS chapter 424, and also by printed handbills posted in not less than four (4) conspicuous places in each voting precinct in the city and at the courthouse door. All legal voters of such city shall be privileged to vote at such election.

(3) If two thirds (⅔) of all the qualified voters of the municipality voting in said general election on the question shall vote in the affirmative, the governing body of the municipality may adopt an ordinance rescinding its election to operate under the provisions of KRS 96.171 to 96.188, and the board, on the first day of the month following the passage and approval of such ordinance, shall by resolution transfer the operation of the electric and water plant to the governing body of the municipality.

Section 26. KRS 96.360 is amended to read as follows:

(1) One or more waterworks, owned by one or more persons, may be acquired as a single enterprise, and the city legislative body may agree with the owner as to the value of the waterworks and purchase it at such value, after giving forty-five (45) days' notice by publishing the agreement of purchase, pursuant to KRS chapter 424, setting out the price, interest rate, condition of plant, possible depreciation and repairs.

(2) If, within the period of forty-five (45) days, a petition calling for an election on the proposition is filed with the county clerk of the county, signed by twenty-five per cent (25%) of the qualified voters of the city who voted at the last preceding regular election, stating the residence of each signer and verified as to signatures and residence by the affidavits of one or more persons, an election shall be held on the proposition. Notice of the election, setting forth the price, terms of bonds, interest, general repairs and condition of plant and nature of the election, shall be given by publication pursuant to KRS chapter 424. The election shall be held at the next November election held more than forty-five (45) days after the time of the publication. The question to be submitted to the voters [~~on the ballot~~] at the election shall be: "Are you in favor of the city of .... purchasing .... at the price of ...."? The purchase shall not be consummated unless a majority of the qualified voters voting on the proposition vote in favor of the purchase.

Section 27. KRS 96.540 is amended to read as follows:

(1) Except as provided in KRS 96.171 to 96.188, inclusive, no city of the second, third, fourth, fifth or sixth class that owns a waterworks system or lighting system by gas or electricity, shall sell, convey, lease or encumber the system or the income therefrom without the assent of a majority of the total number of legal voters of the city voting at an election held for that purpose, after notice of the election has been published pursuant to KRS chapter 424.

(2) In the case of a city of the fourth, fifth or sixth class the election shall be ordered and the election officers shall be selected by the city legislative body, the [~~ballots shall be provided by the~~] city clerk *shall prepare the question for presentation to the voters* and a tabulation of the vote shall be done by the city legislative body in the presence of the mayor; in all other respects the election shall be conducted under the regular election laws.

(3) This section does not apply to the issuance of revenue bonds under the provisions of KRS 96.350 to 96.520.

Section 28. KRS 96.543 is amended to read as follows:

(1) Before any city may acquire, maintain or operate any such artificial gas system, the legislative body of the city shall pass an ordinance declaring it desirable that this be done, and shall prepare an estimate of the probable cost of the system. If revenue bonds are to be issued to pay the cost the ordinance shall so provide. An election shall be had on the adoption of the ordinance if a number of legal voters of the city equal to twenty-five percent (25%) of the total number of votes cast in the city at the last regular election file a petition within ten (10) days after the ordinance is passed asking that the question of approval of the ordinance be submitted to a vote of the people. If the petition is filed the election shall be held at the next regular election held in the city. If no petition is filed, the city may proceed immediately with the acquisition of an artificial gas system.

(2) If an election is petitioned for, the presiding officer of the city shall certify the ordinance to the county clerk, who shall cause to be *prepared for presentation to the voters* [~~printed on the ballots for use in the city~~] the question: "Are you in favor of acquiring, maintaining and operating an artificial gas system in accordance with the estimate of cost adopted by the .... (here insert name of city) and the issuance of revenue bonds in the amount of $.... (here insert total face amount of bonds estimated by the legislative body of the city to be necessary to pay the cost of the system, based upon the estimate of cost)." *The voters* [~~Opposite the question~~] shall *indicate a* [~~be printed~~] "Yes" *or a* [~~and~~] "No[~~,~~]" *vote* [~~with the proper squares for stamping~~]. The presiding officer of the city shall advertise the election and its object by publication pursuant to KRS chapter 424. All legal voters of the city may vote at the election.

(3) If an election is held, the city shall not acquire, maintain or operate the system or issue revenue bonds unless a majority of all the qualified voters voting on the question vote in favor thereof.

(4) Before revenue bonds are issued the legislative body of the city shall select the location of the system, prepare the necessary plans and specifications, and take all steps necessary in its judgment for the acquisition of the land, right of ways, constructions, franchises and easements necessary for the construction of the system.

Section 29. KRS 96.640 is amended to read as follows:

(1) Before any municipality shall have authority to (a) construct or cause to be constructed an electric plant, (b) acquire an electric plant by purchase, or (c) institute condemnation proceedings for acquiring by eminent domain an electric plant, or (d) issue revenue bonds for the construction, purchase, or acquisition of an electric plant, the question shall be submitted to the qualified voters of the municipality as hereinafter in this section provided.

(2) Before any municipality shall be authorized or empowered to purchase or establish and thereafter operate an electric plant, or to issue bonds therefor, the legislative body of such municipality shall pass an ordinance declaring it desirable that the municipality shall purchase or construct and operate a municipal electric plant, and if it is proposed to construct such electric plant, the board shall cause an engineer or engineers duly qualified and licensed under the laws of this Commonwealth (a) to prepare the necessary and proper plans and specifications for the construction of the electric plant, (b) select the location therefor, (c) determine the size, type and method of construction thereof, (d) make the necessary estimates of the cost of construction and of the acquisition of the land and rights of way, and (e) a survey of all lands, structures, rights of way, franchises and easements, the acquisition of which is deemed necessary by said engineers and the board for the construction and operation of such municipal electric plant, all of which shall be approved by the board; and, Provided further, That the question of whether or not revenue bonds shall be issued to provide for the payment of the cost thereof shall be submitted to the qualified voters of such municipality at the next regular November election to be held in said municipality. The mayor shall certify such ordinance to the county clerk, who shall *have prepared to be placed before*[~~, on~~] the *voters* [~~ballots provided for use~~] in the general November election, [~~in the municipality (if however there is no municipal election a separate ballot shall be provided) in which it is proposed to construct such electric plant and issue revenue bonds for the payment of the cost thereof, have printed thereon~~] the question: "Are you in favor of the city constructing and operating a municipal electric plant in accordance with the plans and specifications adopted by the Electric Plant Board of .... (here insert name of municipality) and the issuance of revenue bonds in the maximum amount of $.... (here insert maximum total face amount of bonds estimated by the board to be necessary to pay the cost of such plant, based upon the estimate hereinabove provided)." *The voters shall respond to* [~~And opposite~~] the question *by voting* [~~he shall print~~] "Yes" *or* [~~and~~] "No[~~,~~]" [~~with the proper squares for stamping the cross mark to indicate preference~~].

(3) The mayor of such municipality shall advertise such election and the object thereof by publication pursuant to KRS chapter 424, and also by printed handbills posted in not less than four (4) conspicuous places in each voting precinct in the municipality and at the courthouse door. All legal voters of such municipality shall be privileged to vote at such election. The city shall have no authority to construct a municipal electric plant, or to issue revenue bonds unless a majority of all the qualified voters voting in said election on this question vote in favor thereof.

(4) Any contract of a municipality for the purchase of an electric plant shall be conditioned upon the approval of the qualified voters of the municipality at an election held at the time and in the manner provided in subsections (2) and (3) of this section, except that the clerk shall have *prepared to be placed before* [~~printed on~~] the *voters* [~~official ballots for the election~~] the following *question*: "Are you in favor of the City of .... purchasing from .... (insert the name of owner or owners) an electric plant at the price of $.... (herein insert the amount of the agreed purchase price) and the issuance of revenue bonds in the amount of $.... (herein insert total face amount of bonds required to pay the agreed purchase price)." *The voters shall respond to* [~~And opposite~~] the question *by voting*[~~, he shall print~~] "Yes" *or* [~~and~~] "No[~~,~~]" [~~with the proper squares for stamping the cross mark to indicate preference~~].

(5) Before any municipality shall be authorized or empowered to institute condemnation or eminent domain proceedings to acquire an electric plant, the legislative body of such city shall pass an ordinance declaring it desirable that the municipality shall acquire by condemnation an electric plant, and shall describe in the ordinance the property which it deems necessary to be acquired, and there shall be submitted, in the manner provided in subsections (2) and (3) of this section, to the qualified voters of the municipality at the next regular November election, the following question: "Are you in favor of the City of .... (here insert name of city) acquiring an electric plant by the exercise of the power of eminent domain and the issuance of revenue bonds in an amount sufficient to pay the entire damages and costs of such acquisition." *The voters shall respond to* [~~Opposite~~] the question *by voting* [~~shall be printed~~] "Yes" *or* [~~and~~] "No[~~,~~]" [~~with the proper squares for stamping the cross mark to indicate preference~~].

(6) No municipality or board shall have authority to purchase, construct, or acquire, or to institute condemnation proceedings for acquiring an electric plant, or to issue revenue bonds or other obligations or evidences of indebtedness for the payment of the costs thereof unless a majority of all the qualified voters

voting in said election on the question vote in favor thereof. Elections held pursuant to the provisions of KRS 96.550 to 96.900 shall be governed by the laws of this state relative to elections to the extent that such laws are not inconsistent herewith.

Section 30. KRS 96.860 is amended to read as follows:

The board or the municipality may sell or dispose of all or substantially all of that part of an electric plant located within the boundary of the municipality, owned and operated by it, only by first complying with the following provisions, to wit:

(1) The board shall adopt a resolution which shall state in substance (a) that the board has approved the proposed sale or disposition, (b) a full description of the property to be sold or disposed of, (c) the transferee or transferees or purchasers thereof, (d) the consideration to be received by the board for such sale or disposition, (e) the terms or conditions of such sale or disposition, (f) the date on which an election shall be held, which shall be the day of the regular November election.

(2) The resolution of the board shall be submitted to the governing body of the municipality; and if approved by the governing body of the municipality, the question shall be submitted to an election of the qualified voters in the manner provided in KRS 96.640, except that the question to be *presented to* [~~printed on~~] the *voters in* [~~official ballots for~~] the general election shall be: "Are you in favor of the sale or disposition of the electric plant, for the consideration of $.... (here state the consideration)." *The voters shall indicate a* [~~And opposite the question the words~~] "Yes" *or a* [~~and~~] "No[~~,~~]" *vote* [~~with the proper squares for stamping the cross mark to indicate preference~~]. If a majority of all of the qualified voters of the municipality voting in said general election on the question shall vote in favor of the sale or disposition of the electric plant, the sale shall be consummated, otherwise the sale or disposition shall not be made.

(3) The board may dispose of all or any part of an electric plant located without the boundary of the municipality without an election or any other approval or authority than that in the board.

Section 31. KRS 96A.350 is amended to read as follows:

(1) The elections herein authorized shall, in the case of any individual public body, be called and held by the particular public officials of said public body responsible for the calling and holding of general elections. All ad valorem tax receipts, occupational tax receipts and public transportation sales tax receipts derived in respect of any such elections shall be collected by the public officials of such public body statutorily responsible for such collection, and shall pending disbursement be held in a separate and special trust fund identified as the mass transit trust fund by said public body to be used solely and only for purposes of the mass transportation program approved by the electorate of such public body, as hereinafter provided. Moneys therefrom shall be disbursed only upon order of the chief financial officer of such public body.

(2) In the event any election authorized by KRS 96A.310 to 96A.370 is, pursuant to the provisions of KRS 96A.310 to 96A.370, to be submitted to the electorate of any transit area of a transit authority by all of the public bodies which are members of any such transit authority, and if one of such public bodies is a county which encompasses one or more additional public bodies, the county clerk of such county (or each county clerk in the event more than one county shall be a member of such transit authority) shall cause such election proposition to *be prepared for presentation to* [~~appear on~~] the *voters at* [~~ballots or voting machine slips used in respect of~~] the election on such proposition. All ad valorem tax receipts, occupational tax receipts and public transportation sales tax receipts derived in respect of any such elections shall be collected or received by the proper public officials of such county or counties statutorily responsible for such collection or receipt, and shall pending disbursement be held in a separate and special trust fund identified as the mass transit trust fund to be used solely and only for purposes of the mass transportation program approved by the electorate of such transit area, as hereinafter provided. Said mass transit trust fund shall in such case be held in the custody of all public bodies which are members of such transit authority and moneys therefrom shall be disbursed only upon orders of the chief financial officers of all such public bodies.

Section 32. KRS 97.610 is amended to read as follows:

(1) Cities of the second, third, fourth, fifth and sixth classes may levy an annual tax of not more than ten (10) mills on the assessed valuation of the city, for the purpose of providing a fund for the maintenance or employment of a band or orchestra.

(2) Before such tax may be levied a petition signed by five per cent (5%) of the legal voters of the city, as shown by the last regular municipal election, must be filed with the city legislative body, requesting that the following question be submitted to the voters: "Shall a tax of not exceeding ten (10) mills be levied each year for the purpose of furnishing a fund for the maintenance or employment of a municipal band or orchestra?"

(3) When the petition is filed, the legislative body shall cause the question to be submitted to the voters at the first following general municipal election.

(4) The levy shall be authorized if a majority of the electors voting at the election cast *votes* [~~ballots~~] in favor of the proposition, and the legislative body may then enact an ordinance carrying the plan into effect.

Section 33. KRS 107.360 is amended to read as follows:

(1) Prior to or concurrently with the adoption by the board of a resolution requesting the fiscal court to levy an ad valorem tax, the board shall have determined the nature and approximate cost of the project

or projects to be financed through the issuance of bonds (whether revenue or general obligation bonds) to be retired through the levy of the tax. In determining the nature of a project the board may include more than one improvement item in a single project. The resolution designating the project or projects and the estimated and approximate cost of each, shall be forwarded to the fiscal court, which shall thereafter, on behalf of the district, cause said resolution to be published in the newspaper of bona fide circulation as provided in KRS 424.130. Thereafter the fiscal court shall cause to be prepared a question for submission to the voters of the district at the next regularly scheduled November election as to whether or not the project, or any one or more projects if there be more than one, shall be disapproved. The question shall be so framed that any voter who wishes to vote for the project, or for any project designated as a single project if there be more than one project, may signify his approval by voting "yes", and any voter who wishes to vote against any project so designated may do so by voting "no" on the question of that project. If a majority of those voting on the question of any project shall approve the particular project, that project shall be adopted, and the board shall proceed to initiate issuance of the authorized bonds as provided in KRS 107.310 to 107.500. The county clerk shall cause such question to *be prepared for presentation to* [~~appear on~~] the *voters* [~~ballots or voting machine slips used~~], and the election results shall be canvassed and certified by the county board of election commissioners.

(2) If the project is approved as herein provided, the tax necessary to finance the approved project shall be computed by the board and transmitted to the fiscal court, which shall levy the tax as provided in KRS 107.350. Nothing in KRS 107.310 to 107.500 shall be deemed to require the fiscal court to levy a tax in any year unless general obligation bonds have been issued as provided in KRS 107.460, and then only to the extent of requirements for amortization of such bonds.

Section 34. KRS 108.100 is amended to read as follows:

Except as provided in KRS 108.105, districts shall be organized in the following manner:

(1) Upon the filing of a certified petition of one hundred (100) or more qualified voters in each city or county to be included within the territorial limits of the proposed district or upon the determination of each fiscal court or city legislative body in the proposed district that the establishment of a district is in the best interests of the inhabitants of the county or city, the fiscal court of each county or city legislative body in the proposed district shall adopt a resolution submitting to the qualified voters of the city or county the question as to whether an emergency ambulance service district should be established for the area and a special ad valorem tax imposed for the maintenance and operation of the district, not to exceed ten cents ($.10) on each one hundred dollars ($100) of the assessed valuation of all property in the district. A certified copy of the resolution of the fiscal court or city legislative body shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~on~~] the *voters* [~~ballot~~].

(2) The question shall be in substantially the following form: "Are you in favor of establishing an emergency ambulance service district for (insert names of cities or counties) which shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) emergency ambulance service district?"

(3) If a majority of those voting in each city or county on the question favor the establishment of an emergency ambulance service district it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the constitution of Kentucky. The cost of the election shall be paid by the fiscal court or city legislative body (as appropriate).

(4) All special ad valorem taxes authorized by KRS 108.080 to 108.180 shall be collected in the same manner as are other county and city ad valorem taxes in each county and city affected and shall be turned over to the board of directors as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes. The sheriff shall be entitled to a fee of one percent (1%) of the amount of the tax collected by him.

Section 35. KRS 108.160 is amended to read as follows:

Single city or county districts may be dissolved in the following manner:

(1) Upon the filing of a certified petition of one hundred (100) or more qualified voters in the district or upon the determination of the fiscal court or city legislative body that the abolishment of the district is in the best interest of the inhabitants of the county or city, the fiscal court or city legislative body (as appropriate) shall adopt a resolution submitting to the qualified voters of the county or city as to whether the district should be dissolved and the imposition of the special ad valorem tax discontinued. A certified copy of the resolution of the fiscal court or city legislative body (as appropriate) shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~on~~] the *voters* [~~ballot~~].

(2) The question [~~on the ballot~~] shall be in substantially the following form: "Are you in favor of dissolving the emergency ambulance service district for (insert name of city or county) and discontinuing the special ad valorem tax that is imposed for the maintenance and operation of the district?"

(3) If a majority of those voting on the question favor dissolving the district and discontinuing the imposition of the special ad valorem tax the county clerk or the collector of city taxes shall remove the levy of the special ad valorem tax from the tax bills of the property owners of the district and the district shall be dissolved by order of the fiscal court or the city legislative body.

(4) A resolution for the dissolution of the district shall not be considered to have any legal effect if contractual obligations assumed prior to the time of the passage of the resolution by the board have not been met.

Section 36. KRS 116.025 is amended to read as follows:

(1) Every person, male or female, who is a resident of this state and has resided in the precinct in which he offers to vote thirty (30) days next preceding the day of any regular or special election, who possesses on the day of any election the qualifications set forth in constitution section 145, exclusive of the durational residency requirements, who is not disqualified under that section or under any other statute, and who is registered as provided in this chapter, may vote for all officers to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote.

(2) Persons charged with or indicted for a crime, whether or not in custody for same, who have not yet been convicted of the said offense and who are not otherwise ineligible to vote, may vote for all offices to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote.

(3) A registered voter who moves less than thirty (30) days before an election and is not permitted to register at his new residence may vote at his former residence either in person or by absentee *vote* [~~ballot~~].

Section 37. KRS 116.065 is amended to read as follows:

Each application for registration, change of affiliation, transfer of registration or special ballot, *as special ballots are provided for by KRS 117.075,* shall be verified by a written declaration by the applicant that it is made under the penalties of perjury.

Section 38. KRS 117.255 is amended to read as follows:

(1) The voter shall be instructed by the officers of election, with the aid of the instruction cards and the [~~mechanical~~] model, in the use of the machine, if the voter so requests.

(2) No voter shall be permitted to receive any assistance in voting at the polls unless he makes and signs an oath that, by reason of inability to read English, or by reason of blindness or other physical disability he is unable to vote without assistance. Upon making and filing with the judges such oath, the voter shall retire to the voting machine, with the judges, and one of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. The disabled person applying to vote may, if he prefers, be assisted by a person of his own choice who is not an election officer. The clerk shall swear the person accompanying the disabled or blind voter to operate the voting machine in accordance with the directions of the disabled or blind voter, and the disabled or blind voter and the person sworn shall then enter the voting booth and the one so sworn shall operate the machine for the disabled or blind voter as he directs. *Voting booth shall mean an area in which a voter casts his vote which is designed in such a manner that the secrecy of the vote is insured.* No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(3) No voter shall be permitted to occupy the voting machine more than two (2) minutes if other voters are waiting to use it.

(4) In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons for whom the voter is qualified to vote.

(5) If the machine is so constructed as to require adjustment after one (1) person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

(6) The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

(7) In elections for president and vice president, if a voter is eligible to vote only for the office of president and vice president a judge of the election shall adjust the machine so that the voter will only be able to vote for president and vice president.

(8) If supplemental paper ballots have been approved, as provided in KRS 118.215, the voter shall vote his ballot in privacy in a booth provided for that purpose by the county clerk. If the voter spoils his ballot, he shall return the spoiled paper ballot to an election official who shall stamp the ballot "Spoiled", initial and place the spoiled ballot in an envelope provided for that purpose. The voter shall then be issued a second supplemental paper ballot. Upon completion of voting, the voter shall remove the numbered stub from the ballot, hand the stub to an election official and deposit the voted ballot in the locked ballot box in the presence of precinct election officials.

Section 39. KRS 118.015 is amended to read as follows:

(1) A "political party" within the meaning of this chapter, is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and which cast at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for.

(2) The word "election" used in reference to a state, district, county or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them.

(3) *A "ballot" or* [~~An~~] "official ballot" means the voting machine ballot label, *ballot cards, paper ballots,* an absentee ballot, a special ballot or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk.

(4) "Ballot label" means the cards, papers, booklet, pages or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines.

(5) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device.

(6) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his votes in an election.

Section 40. KRS 118A.010 is amended to read as follows:

(1) As used in this chapter, the word "election" refers only to elections for offices of the Court of Justice.

(2) *A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk;*

(3) "Ballot label" means the cards, papers, booklet, pages or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device;

(5) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting his vote in an election;

(6) No provisions of KRS Chapter 118 existing on the effective date of this Act except KRS 118.015 through KRS 118.045 shall apply to such elections. All other provisions of the election laws not inconsistent with this chapter shall be applicable thereto.

Section 41. KRS 132.120 is amended to read as follows:

(1) The secretary of state shall certify to the county clerk of each county, not less than twenty (20) days before the next general election, the substance of the act or the parts of the act that are to be voted upon, and the county clerk shall have the same, as certified by the secretary of state, *appear before* [~~indicated on~~] the *voters* [~~ballot~~]. [~~Spaces shall be provided upon the ballot in which~~] The elector shall designate his vote by a [~~cross mark placed opposite the word~~] "Yes" or "No[~~.~~]" *vote.* The votes cast for and against the measure shall be counted, canvassed and certified to the state board of elections in the same manner as the votes upon constitutional amendments.

(2) If it is found that a majority of votes cast on the measure are in favor thereof, the act or the part of the act voted upon shall become effective. The result of the vote shall be published by the secretary of state pursuant to KRS chapter 424. The expense of the publications required by this section and by KRS 132.110 shall be paid as the expense of other publications that the secretary of state is required to make in connection with elections.

Section 42. KRS 132.380 is amended to read as follows:

(1) Before any person's name shall *appear before the voters on election day* [~~be placed upon any ballot~~] as a candidate for the office of property valuation administrator in any primary or general election, except as a candidate to succeed himself in office, or before he may be appointed property valuation administrator, except as an interim appointee as provided by KRS 132.375, he shall hold a certificate issued by the department of revenue, showing that he has been examined by it and that he is qualified for the office. All certificates issued shall expire one (1) year from the date of issuance. The examinations shall be both written and oral and formulated so as to test fairly the ability and fitness of the applicant to serve as property valuation administrator. The department of revenue shall hold such examinations in at least one (1) place in each congressional district during the month of February of each year in which property valuation administrators are to be elected. The department of revenue shall advise each county attorney of the time and place of the examination, and the county attorney shall post a notice thereof in a conspicuous place in the courthouse two (2) weeks before such examination is given. Any person desiring to take such examination shall appear at the time and place designated.

(2) If, after the giving of the examination, as provided in subsection (1), there is only one (1) person qualified to be a candidate in the county, the department of revenue shall hold a second examination prior

to the filing date in each congressional district where necessary. Applicants from only those counties having not more than one (1) person qualified shall be eligible to take the examination. Notice of the second examination shall be posted in the manner provided in subsection (1).

(3) Whenever there is a vacancy in the office of property valuation administrator to be filled by appointment or by election, and there is not more than one (1) person holding a valid certificate and eligible for appointment or election, the department of revenue may hold a special examination for applicants seeking a certificate for the office. If, after the giving of a special examination, only one (1) person is qualified, the county judge/executive may request a second examination. Special examinations shall be held in the same manner as regular examinations.

(4) Examinations shall be given and graded in accordance with rules of the department published to the applicant at the time of the examination. Within thirty (30) days after the examination, a certificate of fitness and qualification to fill the office of property valuation administrator shall be issued by the department of revenue to each person passing the examination.

(5) Examination records shall be preserved by the department for twelve (12) months after the examination, and the record of any person who took the examination may be seen by him at the office of the department of revenue in Frankfort, Kentucky.

Section 43. KRS 160.220 is amended to read as follows:

All elections for members of boards of education shall be by secret *vote* [~~ballot~~]. The county clerk shall cause to be *prepared for presentation to* [~~printed on~~] the *voters* [~~ballot, labels and special ballots~~] the names of legally eligible candidates who have filed a petition as provided in KRS 118.315.

Section 44. KRS 160.230 is amended to read as follows:

The *candidate names* [~~ballot~~] shall be *presented to the voters* in the form prescribed [~~for ballots~~] by the general election law, except that no party emblem or distinguishing mark shall be *used* [~~placed upon the ballot~~], save the words "School *Candidates*" [~~Ballot" at the head thereof~~]. The order in which the names of the candidates are to *appear* [~~be printed on the ballot~~] shall be determined by lot. As many additional *spaces* [~~lines~~] shall be left blank as there are members to be elected from the district or division as the case may be.

Section 45. KRS 160.250 is amended to read as follows:

(1) No election officer or other person within an election booth shall tell or indicate to a voter the political affiliation of any candidate.

(2) An elction booth means an area in which a voter casts his vote which is designed in such a manner that the secrecy of the vote is insured.

Section 46. KRS 160.260 is amended to read as follows:

(1) The voting in county districts shall be by divisions. Each voter shall [~~be issued a school ballot and shall~~] vote for only one (1) candidate [~~by making a cross in the square opposite the name of the candidate for whom he wishes to vote~~]. The legally eligible candidate receiving the highest number of votes cast in his division shall be declared elected.

(2) In independent school districts each voter may vote for as many candidates as there are members to be elected [~~by making a cross in the square opposite the name of each candidate for whom he wishes to vote~~], and the [~~ballot shall show the~~] number of board members to be elected *shall be indicated.* The candidates, in number equal to the number of members to be chosen, who have the highest number of votes shall be declared elected.

Section 47. KRS 160.470 is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the state board for elementary and secondary education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the department of revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) (a) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate for 1979-80 which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the maximum general tax rate, voted general tax rate, or voted building tax rate, respectively, that could have been levied in 1978-79, to the 1978-79 assessment, except as provided in KRS 157.565. In succeeding years, no district board of education shall levy a general tax rate, a voted general tax rate, or a voted building tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year to the preceding year's assessment, except as provided in KRS 157.565.

(b) In the event that an election is held as provided for in KRS 132.017 and the question [~~on the ballot~~] should fail, such failure shall not reduce the ". . .general tax rate, maximum voted general tax rate, or maximum voted building tax rate, respectively, that could have been levied in the preceding year. . .", referred to in subsection (2)(a) of this section, for purposes of computing the general tax rate, voted general tax rate, or voted building tax rate for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) No district board of education shall levy a general tax rate, voted general tax rate, or voted building tax rate within the limits imposed in subsection (2) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in KRS 157.565, until the district board of education has complied with the provisions of subsection (10) of this section.

(4) The superintendent of public instruction shall certify to each district board of education, by June 30 of each year, the following:

(a) The general tax rate, voted general tax rate, or voted building tax rate that a district board of education could levy under the provisions of subsection (2) of this section, and the amount of revenue expected to be produced by each;

(b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate, voted general tax rate, or voted building tax rate, and the amount of revenue expected to be produced by each;

(c) The general tax rate, voted general tax rate, or voted building tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 , and the amount of revenue expected to be produced by each.

(5) Upon completion of action on property assessment data the department of revenue shall submit to the superintendent of public instruction, certified property assessment data as required in KRS 133.125.

(6) Within thirty (30) days after the district board of education has received its assessment data, three (3) copies of the budget shall be forwarded to the state board for elementary and secondary education for its approval or disapproval. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(7) The budget shall be disapproved by the state board for elementary and secondary education if it is financially unsound or fails to provide for:

(a) Payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the state board for elementary and secondary education, or

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300 and KRS 58.010 to 58.140, with the written approval of the state board for elementary and secondary education, or fails to comply with the law; and the state board for elementary and secondary education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval and resubmit the budget to the state board for elementary and secondary education for its final approval.

(8) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax-levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective and no ad valorem levy shall be made until approved by the state board for elementary and secondary education.

(9) Each district board of education shall, if required by the state board for elementary and secondary education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the state board for elementary and secondary education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(10) (a) A district board of education proposing to levy a general tax rate, voted general tax rate, or voted building tax rate within the limits of subsection (2) of this section which exceed the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) The district board of education shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The general tax rate, voted general tax rate, and voted building tax rate levied in the preceding year, and the revenue produced by those rates;

2. The general tax rate, voted general tax rate, and voted building tax rate proposed for the current year and the revenue expected to be produced by those rates;

3. The compensating general, voted general, and voted building tax rates and the revenue expected from them;

4. The revenue expected from new property and personal property;

5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;

6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and

8. A statement to the effect that the general assembly has required publication of the advertisement and the information contained herein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for such testimony.

(11) (a) That portion of a general tax rate, a voted general tax rate, or a voted building tax rate, except as provided in KRS 157.565, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be subject to a recall vote or reconsideration by the district board of education, such as the case may be, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, voted general tax rate, or voted building tax rate, except as provided in KRS 157.565, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the district board of education has adopted such a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and

3. The name, address and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 48. KRS 160.597 is amended to read as follows:

Any school tax authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 may be recalled as follows:

(1) The order or resolution levying any of the school taxes designated heretofore in this section shall go into effect not less than thirty (30) days nor more than ninety (90) days after its passage. If during the thirty (30) days immediately following the passage of the order or resolution a petition signed by a number of registered and qualified voters equal to fifteen percent (15%), except in counties containing a city of the first class, equal to five percent (5%), of the votes cast in the school district or combined taxing district levying the tax for the office receiving the greatest total vote at the last preceding presidential election is presented to the county board of elections requesting that the order or resolution of such tax be placed *before* [~~on~~] the *voters* [~~ballot~~] for [~~voter~~] approval, the order or resolution shall be suspended from going into effect for that district until after the election provided for in subsection (2) of this section. The person presenting the petition shall be given a receipt indicating the date of presentation. Each sheet of the petition shall contain the names and addresses of voters in but one (1) voting precinct and each sheet shall state the name, number, or designation of the precinct and, where applicable, the name, number or designation of the district or ward wherein the precinct is situated. Each voter shall sign his name in the same manner as he signed the current registration form described in KRS 116.155 or subsection (2) of KRS 116.045, as the case may be. If the signature is difficult to read, the voter shall, on the same line legibly write or print his name in the same fashion as he signed it. One or more persons shall verify by affidavit the signatures and addresses of the signers of the petition. The county board of elections shall make the determination of whether the petition contains enough signatures of qualified voters to suspend the effect of the order or resolution, and immediately thereafter shall notify the school board that the petition has been received and that the order or resolution levying such tax will be placed *before* [~~on~~] the *voters* [~~ballot~~] for [~~voter~~] approval at the next general election. The board of elections shall certify to the school board within thirty (30) days of receipt of the petition that

the petition is properly presented and in compliance with the provisions of this section. If the board of elections finds the petition to be invalid, it shall state in writing the deficiency of said petition. Written notification that the petition has been declared invalid and the deficiencies thereof shall be sent by certified mail to the person to whom a receipt was given by the board of elections, and shall be published at least one (1) time in a newspaper of general circulation within the county containing the school district levying the tax, or if there be no such newspaper, shall be posted at the courthouse door. If good cause is shown, the board of elections shall permit the petitioners to correct the deficiencies either by securing additional valid signatures or by circulating a new petition, such petition to be submitted to the board within thirty (30) days from the date of the written notification of the deficiencies.

(2) Thereupon, if it has been determined that the petition contains enough valid signatures to suspend the effect of the order or resolution, the county board of elections shall submit to the voters of the school district in which a valid recall petition has been filed pursuant to subsection (1) of this section at the next regular November election the question as to whether the tax shall be levied. The question shall be so framed that the voter may by his vote answer, "for" or "against." If a majority of the votes cast in a district or combined taxing district upon the question oppose its passage, the order or resolution shall not go into effect in that district or combined taxing district. If a majority of the votes cast in a district or combined taxing district upon the question favor its passage, the order or resolution shall go into effect in that district. In the event that the election is to be held in more than one (1) school district within a county the votes shall be counted separately.

(3) If any statute in existence on June 17, 1978, is found to be in conflict with any provision of this section, the provisions of this section shall prevail.

Section 49. KRS 165.175 is amended to read as follows:

(1) The fiscal court of a county containing a city of the second class in which is located a municipal college, having obtained the authorization of the legislative body of such city for the college to accept tax support from a municipal college support district and for appointment of three (3) members of the college board of trustees by the governing body of the district, may establish a municipal college support district consisting of the territory in the county outside the limits of the city in which is located the college. The members of the fiscal court shall constitute the governing body of the district. Subject to the provisions of subsection (2), the district may levy a tax of not less than five (5) or more than fourteen cents (14¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district. The funds raised by this tax shall be used solely to support the college.

(2) A certified copy of the order of the fiscal court creating the district shall be filed by the governing body of the district with the county clerk at least forty-five (45) days before a regular election, and the clerk shall cause the question whether the tax is to be imposed to be *prepared for presentation* [~~placed upon the ballots to be given~~] to voters residing in the district. The question shall be so phrased as to ask the voter whether he favors the imposition of a tax of not less than five (5) or more than fourteen cents (14¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district for the purpose of supporting the municipal college in the second-class city in the county. If majority of those voting on the question favor the imposition of the tax, the governing body of the district shall levy the tax.

(3) The sheriff shall collect the taxes due the district at the same time and in the same manner in which he collects the state and county ad valorem tax. He shall be allowed a fee not to exceed four per cent (4%) for collection of this tax. The money collected shall be paid to the college board of trustees.

Section 50. KRS 173.470 is amended to read as follows:

Districts shall be organized in the following manner:

(1) Upon the filing of a duly certified petition of one hundred (100) or more duly qualified voters in each county to be included within the territorial limits of the proposed district, the fiscal court of each county in the proposed district shall adopt a resolution submitting to the qualified voters of the county the question as to whether a public library district should be established for the area and a special ad valorem tax imposed for the maintenance and operation of the district, not to exceed twenty cents (20¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district. A certified copy of the order of the fiscal court shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(2) The question shall be in substantially the following form: "Are you in favor of establishing a public library district for (insert names of counties) which shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) public library district?"

(3) If a majority of those voting in each county on the question favor the establishment of a public library district it shall be so established and shall constitute and be a taxing district within the meaning of section 157 of the constitution of Kentucky.

(4) All special ad valorem taxes authorized by KRS 173.450 to 173.650 shall be collected in the same manner as are other county ad valorem taxes in each county affected and shall be turned over to the

board as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes.

Section 51. KRS 173.610 is amended to read as follows:

(1) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by submission to the voters of the district at a general election and approved by a majority of the votes cast on the issue. The board or any one hundred (100) qualified voters residing within the district may file a duly certified copy of a resolution or petition with the clerk of each county within the district at least forty-five (45) days prior to the election and the clerk shall thereupon cause the question to be *prepared to be presented to* [~~placed upon~~] the *voters* [~~ballot~~] in substantially the following form: "Are you in favor of increasing (or decreasing) from (insert amount) cents to (insert amount) cents on each one hundred dollars ($100) of the assessed valuation of all property in the (insert name of public library district) public library district the maximum tax which the district can impose for the maintenance and operation of (insert name of district) public library district?"

(2) Any increase provided for in subsection (1) or (3) of this section shall not exceed twenty cents (20¢) on each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.470 may be increased or decreased by the procedure in KRS 173.790.

Section 52. KRS 173.620 is amended to read as follows:

Counties outside of any existing district, and contiguous thereto, may be annexed to the district in the following manner:

(1) Upon filing with the fiscal court of a duly certified petition of one hundred (100) or more qualified voters residing within each county proposed to be annexed, the fiscal court of each county in the district and each county proposed to be annexed shall adopt a resolution submitting to the qualified voters of the county the question as to whether the territory should be annexed. A certified copy of the order of the fiscal court shall be filed with the county clerk at least sixty (60) days prior to the next general election and thereupon the county clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(2) The question shall be in substantially the following form: "Are you in favor of annexing the following described territory (here describe the territory) to the (name district) public library district?"

(3) If the majority of those voting in each county on the question favor the annexation of the territory it shall be so annexed.

Section 53. KRS 173.630 is amended to read as follows:

A district may be dissolved in the following manner:

(1) Upon filing of a duly certified petition of ten percent (10%) or more of the qualified voters in the district or one hundred (100) or more qualified voters in the district, whichever is more, the fiscal court of each county in the district shall adopt a resolution submitting to the qualified voters of the district the question as to whether the district shall be dissolved. A certified copy of the order of each fiscal court shall be filed with the county clerk at least ninety (90) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(2) The question shall be in substantially the following form: "Are you in favor of dissolving the (insert name of district) public library district?"

(3) If a majority of those voting on the question within the district favor the dissolution such district shall thereupon be dissolved.

Section 54. KRS 212.080 is amended to read as follows:

A number of legal voters equal to ten percent (10%) of the total number of votes cast at the last general election of any county may file their petition with the county judge/executive asking that the proposition of creating, establishing and maintaining a county health department be submitted to the voters of the county at the next general election held in the county that does not occur within less than thirty (30) days after filing the petition. Each voter signing the petition shall state his full name and address. At the time of filing the petition the petitioners shall deposit with the county judge/executive a sufficient sum of money to pay the cost of publication, as required by this section. Upon the filing of the petition with the county judge/executive, he shall enter an order directing the publication in full of the petition, pursuant to KRS chapter 424, and shall further enter an order directing the county clerk to have placed *before* [~~upon~~] the *voters* [~~ballot~~] at such election the question, "Are you in favor of establishing a county department of health?" [~~with proper squares in which~~] The voter *shall* [~~may~~] indicate *a* "Yes" or *a* "No[~~.~~]" *vote*. If the majority of those voting on the proposition vote "Yes," a department of health for the county shall be created, established and maintained. The vote shall be canvassed and returned by the board of election commissioners for the general election. If the election is contested, the members of the fiscal court of the county shall be made defendants.

Section 55. KRS 212.720 is amended to read as follows:

Upon request of any county or city-county board of health except in counties containing a city of the first class, the fiscal court of the county shall adopt a resolution submitting to the qualified voters of the county, the question as to whether a public health taxing district shall be established for the county. A certified copy of the order of the fiscal court shall be filed with the county clerk at least forty-five (45) days prior to the next regular election and thereupon the county clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~]. The question shall be in the following form: "Are you in favor of establishing a public health taxing district for (insert name of county) county which shall have the authority to impose a special ad valorem tax for the maintenance and operation of the (insert name of county or city-county) health department, provided that such special tax shall not exceed (insert amount) cents on each one hundred dollars ($100) of the assessed valuation of all property in the district?" If a majority of those voting on the question favor the establishment of a public health taxing district for the county it shall be so established and shall constitute and be a taxing district within the meaning of section 157 of the constitution of Kentucky. The members of the county or city-county board of health shall, by virtue of their office, constitute and be the governing body of the public health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the county or city-county board of health. The officers of the county or city-county board of health shall be the officers of the public health taxing district.

Section 56. KRS 215.120 is amended to read as follows:

A number of citizens equivalent to ten percent (10%) of the votes cast at the last general election in any county the fiscal court of which has failed to establish a sanatorium district may file their petition with the county judge/executive asking that the proposition of establishing the county as a district for the erection of a sanatorium for the treatment of tuberculosis be submitted to the voters of the county at the next general election held in the county that does not occur within less than thirty (30) days after the filing of the petition. Each voter signing the petition shall state his full name and address. At the time of filing the petition the petitioners shall deposit with the county judge/executive a sufficient sum of money to pay the cost of publication, as required by this section. Upon the filing of the petition with the county judge/executive he shall enter an order directing that the petition be published in full pursuant to KRS chapter 424, and shall further enter an order directing the county clerk to have placed *before* [~~upon~~] the *voters* [~~ballot~~] at such election the question, "Are you in favor of establishing a tuberculosis sanatorium district?[~~,~~]" [~~with proper squares in which the voter may~~] *Voters shall* indicate *a* "Yes" or *a* "No[~~,~~]" *vote*. If the majority of those voting on the proposition vote "Yes," a tuberculosis sanatorium district shall be established. The vote shall be canvassed and returned by the board of election commissioners for the general election. If the election is contested the members of the fiscal court of the county shall be made defendants.

Section 57. KRS 215.140 is amended to read as follows:

(1) A county may join an already established tuberculosis sanatorium district if the consent of the district board of trustees of the already established district is first secured.

(2) If the fiscal court of the county desiring to join has declared by resolution that the county shall be a tuberculosis sanatorium district or a part of a district, the application for consent shall be made by the fiscal court.

(3) If the county desiring to join has become a tuberculosis sanatorium district or a part of a district by action of the voters, the application for consent shall be made by the board of trustees of that district.

(4) If the county desiring to join has not become a district or a part of a district, the application for consent shall be made by a petition signed by not less than twenty (20) qualified voters of the county. When it is necessary to take a vote to declare any county a tuberculosis sanatorium district, to enable it to join an already established sanatorium district, the *question before the voters* [~~ballot~~] shall read as follows: "Are you in favor of declaring this county a tuberculosis sanatorium district, for the purpose of joining the already established tuberculosis sanatorium district of .... County (or Counties)?" The result of the election shall be certified to the fiscal court of the county in which the election was held, and if the result is favorable to the proposition submitted the fiscal court shall immediately declare the county a portion of the already established tuberculosis district and certify its action to the department for human resources, whereupon that department shall determine the number of trustees to compose the board of the district, and the representation to be accorded each county on the district board, according to the provisions of KRS 215.160.

Section 58. KRS 216.317 is amended to read as follows:

Before a hospital district is established or a county participates in an established district, the procedure provided in subsection (1) or the procedure provided in subsection (2) shall be complied with.

(1) (a) Upon the filing of a duly certified petition of one hundred (100) or more duly qualified voters in a county to be included within the territorial limits of the proposed district, the fiscal court of each county in the proposed district shall adopt a resolution submitting to the qualified voters of the county the question as to whether a hospital district should be established for the medical service area and a special ad valorem tax imposed for the maintenance and operation of the district, not to exceed ten cents (10¢) on each one hundred dollars ($100) of the assessed valuation of all property in the county. A certified copy of the order of the fiscal court shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(b) The question shall be in substantially the following form: "Are you in favor of (insert the name of the county) participating in a hospital district composed of (insert the names of the counties) for which (insert the name of the county) shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) hospital district?"

(c) If a majority of those voting in the county favor the establishment of the district or the participation of the county in an established district, the district shall be established and shall constitute and be a taxing district within the meaning of section 157 of the constitution of Kentucky and the county shall be a participating county in the district.

(d) The participation of each county in a district shall be determined separately and a county may follow the procedure in subsection (1) or (2) without regard to the procedure followed in any other county in the district.

(e) All special ad valorem taxes authorized by KRS 216.310 to 216.360 shall be collected in the same manner as are other county ad valorem taxes in each county affected and shall be turned over to the board as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes.

(2) (a) Upon the filing of a duly certified petition of a majority of the number of duly qualified voters who voted in the last general election in each county to be included within the territorial limits of the proposed district, the fiscal court of a county in the proposed district shall adopt a resolution ordering the levy of a tax of not more than ten cents (10¢) on each one hundred dollars ($100) worth of property assessed for local taxation. Such petition shall be filed with the fiscal court in each county in the proposed district not later than ninety (90) days after the date of the first signature on the petition. A certified copy of the order of the fiscal court shall be filed within thirty (30) days with the county clerk who will add the levy to the next annual tax bill of the county or counties concerned.

(b) The petition shall be in substantially the following form:

The following duly qualified voters of (insert name of county) hereby petition the fiscal court concerned to establish a hospital district for (insert name of county or counties) for which (insert name of county) shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) hospital district.

(c) The petition shall contain the following: The name and address of each petitioner and the date upon which he signed the petition.

(d) All special ad valorem taxes authorized by KRS 216.310 to 216.360 shall be collected in the same manner as are other county ad valorem taxes in each county affected and shall be turned over to the board as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes.

Section 59. KRS 216.318 is amended to read as follows:

In the alternative to establishing a hospital district with the power to tax as provided for in KRS 216.317, such a district may be established as follows:

(1) Upon the filing of a duly certified petition of one hundred (100) or more duly qualified voters in a county to be included within the territorial limits of the proposed district, the fiscal court of each county in the proposed district may adopt a resolution submitting to the qualified voters of the county the question as to whether a hospital district should be established for the medical service area. A certified copy of the order of the fiscal court shall be filed with the county clerk at least sixty (60) days prior to the next regular election and thereupon the clerk shall cause the question to be placed *before* [~~upon~~] the *voters* [~~ballot~~].

(2) The question shall be in substantially the following form: "Are you in favor of (insert the name of the county) participating in a hospital district composed of (insert the names of the counties)?"

(3) If a majority of those voting in the county favor the establishment of the district or the participation of the county in an established district, the district shall be established and the county shall be a participating county in the district.

Section 60. KRS 242.050 is amended to read as follows:

The proposition to be voted upon shall be stated [~~on the ballot~~] without emblems and *voters shall designate a* [~~two (2) spaces shall be left upon the right side of the ballot, one (1) for votes favoring the proposition, to be designated by the word~~] "Yes[~~,~~]" *or a* [~~and one (1) for votes opposing it, to be designated by the word~~] "No[~~.~~]" *vote.* [~~The voter shall designate his vote by a cross mark placed opposite the word "Yes" or the word "No."~~] In any election the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (name of county or city)?".

Section 61. KRS 242.070 is amended to read as follows:

Not more than twenty (20) days prior to an election any group of citizens that in good faith favors or opposes the proposition to be submitted may file with the chairman of the county board of election commissioners a petition asking that it be recognized as the committee entitled to nominate election officers and to certify challengers, witnesses to the counting of the *votes* [~~ballots~~] and certification of the results, and guards to assist in guarding the [~~ballot~~] boxes *containing the votes which have been cast* during the period which the group desires. If more than one group claims the right to nominate election officers and certify challengers, witnesses and guards, the county board of election commissioners shall promptly decide and publicly announce which committee is entitled to nominate officers and certify challengers, witnesses and guards. That decision shall not be final, but any aggrieved party may appeal to the county judge/executive , and upon hearing the county judge/executive shall determine which group shall be recognized.

Section 62. KRS 242.080 is amended to read as follows:

(1) The respective committees advocating and opposing the proposition shall each file with the chairman of the county board of election commissioners before the time designated for the selection of officers a list of not more than four (4) persons possessing the qualifications of election officers for each voting precinct, and the board of election commissioners shall appoint the officers from those lists, as provided in KRS 242.090.

(2) The committees may sign and issue certificates designating challengers at the polls, witnesses to the count of *votes* [~~ballots~~] and guards to assist in guarding the [~~ballot~~] boxes *containing votes which have been cast*, in the same manner as political committees under the general election laws.

Section 63. KRS 242.120 is amended to read as follows:

Any qualified voter may demand a recount of the *votes* [~~ballots~~] or contest the election in the same manner as is provided for the recount of *votes* [~~ballots~~] or contest of general elections of county officers by KRS 120.155 to 120.185. The members of the county board of election commissioners shall be named as contestees and summons shall be served upon them. Any qualified voter may intervene as contestee by filing a petition to be made a party in the action.

Section 64. KRS 242.125 is amended to read as follows:

(1) In any county in which the provisions of KRS 242.220 to 242.430 are applicable by reason of an election for the entire county having heretofore resulted in favor of prohibition, an election may be held in any city of the first four (4) classes in such county to take the sense of the people of the city as to the discontinuance of prohibition in the city. For this purpose, the election in the city shall not be deemed to be an election in the "same territory" as that in which the county-wide election was held, within the meaning of subsection (5) of KRS 242.030. If, at the election for a city, the majority of the votes cast are against prohibition, the vote makes KRS 242.220 to 242.430 inapplicable to the entire city, but this does not prevent an election from thereafter being held in any precinct of the city, subject to the provisions of KRS chapter 242, to take the sense of the people of the precinct as to the application of KRS 242.220 to 242.430 in the precinct.

(2) In any election hereafter held for an entire county, which county is not at the time of the election dry territory by reason of a county-wide election heretofore held, for the purpose of taking the sense of the voters as to the application of KRS 242.220 to 242.430 in the county, the voters within each city of the first four (4) classes in the county shall be *presented with* [~~furnished a ballot upon which~~] the question [~~shall be~~], "Are you in favor of the sale of alcoholic beverages in (name of city)?". *The question* [~~No ballot~~] shall *not* be *presented* [~~furnished~~] to the voters of any city of such class, if, less than three (3) years prior to the date of the proposed county-wide election a city-wide election was held in the city at which a majority of the votes cast were against prohibition. The status of such a city is not affected by the result of the county-wide election. The voters outside of the cities of such classes shall be *presented with* [~~furnished a ballot upon which~~] the question [~~shall be~~], "Are you in favor of the sale of alcoholic beverages in (name of county), outside of the corporate limits of the cities of the first four classes?". The *votes* [~~ballots~~] of each such city shall be separately tabulated, and the *votes* [~~ballots~~] of the voters outside such cities shall be separately tabulated. If the majority of votes cast in any such city are for prohibition, KRS 242.220 to 242.430 shall apply to the entire city. If the majority of votes cast in any such city are against prohibition, then KRS 242.220 to 242.430 shall be inapplicable, except, that if, that at the time of the election any number of precincts of the city, less than the entire city were dry territories, the votes shall not make KRS 242.220 to 242.430 inapplicable in such precinct. If the majority of votes cast in any city are against prohibition, and if, at the time of such election, the entire city was dry territory, KRS 242.220 to 242.430 shall be inapplicable to the entire city. If the majority of votes cast in the county outside of such cities of the first four (4) classes are for prohibition, KRS 242.220 to 242.430 shall apply to all of the county outside of the cities. If the majority of the votes cast in the county outside of the cities are against prohibition, the votes shall not make KRS 242.220 to 242.430 inapplicable to any district or precinct outside of the cities that was dry territory at the time of the election.

(3) If, in any city-wide election held in a city of the first four (4) classes for the purpose of taking the sense of the voters as to the adoption or discontinuance of the application of KRS 242.220 to 242.430 to the city, other than an election coming within the provisions of subsection (1) or (2) of this section, the majority of the votes cast are for prohibition, KRS 242.220 to 242.430 applies to every portion of the city. If, in any city-wide election, the majority of the votes cast are against prohibition, and if, at the time of the election, any number of precincts in the city less than the entire city were dry territories, the votes do not make KRS 242.220 to 242.430 inapplicable to such precincts. If, in any city-wide election, the majority

of votes cast are against prohibition, and if, at the time of the election, the entire city was dry territory, KRS 242.220 to 242.430 is inapplicable to the entire city.

Section 65. KRS 242.129 is amended to read as follows:

The proposition to be voted upon in any election held pursuant to KRS 242.127 and this section shall be "Are you in favor of the sale of distilled spirits and wine by the drink for consumption on the premises in (name of city)?" [~~There shall be two places on the ballot for registering votes, one for votes favoring the proposition which shall be designated by the word "yes," and one for votes opposing the proposition which shall be designated by the word "no."~~] Each voter shall designate his vote by *a* [~~the word~~] "yes" or *a* [~~the word~~] "no" *vote.* [~~"~~]

Section 66. KRS 242.1292 is amended to read as follows:

(1) The provisions of this section shall be applicable in any city of the second class notwithstanding any other provisions of this chapter relating to the discontinuance of prohibition in any county, city, or territory which may be to the contrary.

(2) In any city of the second class in which prohibition is in effect in all or part of the city, and upon a determination that an economic hardship exists in one (1) or more of the voting precincts of the city in the manner prescribed in subsection (10) of this section, the governing body of the city shall by ordinance designate such precinct or precincts as a limited sale precinct or precincts and shall provide for an election to be held in such precinct or precincts to take the sense of the people of each such precinct as to the discontinuance of prohibition in such precinct.

(3) The election shall be held in such precinct or precincts in the manner prescribed in KRS 242.010 to 242.040 and KRS 242.060 to 242.120. Such election shall not be deemed to be an election in the "same territory" within the meaning of subsection (5) of KRS 242.030; provided, however, that no election on the same question shall be held in the same precinct or precincts more often than once every five (5) years.

(4) The *question shall be presented to the voters in conformance with* [~~ballot for such election shall conform to~~] the requirements of KRS 242.050 except that the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (official name and designation of precinct)?"

(5) If a majority of the votes cast in any limited sale precinct in which an election is held pursuant to this section are in favor of the sale of alcoholic beverages in that precinct, the governing body of the city shall by ordinance create or provide for the office of city alcoholic beverage control administrator and shall adopt a comprehensive regulatory ordinance covering the licensing and operation of establishments for the sale of alcoholic beverages within a limited sale precinct. In its discretion the governing body may provide that:

(a) Only three (3) licenses permitting the package sale at retail of alcoholic beverages shall be granted within the territorial limits of any limited sale precinct.

(b) Only four (4) licenses to sell alcoholic beverages by the drink for consumption on the premises by the general public shall be granted in any one (1) limited sale precinct. One (1) such license in each limited sale precinct may be reserved for grant to any newly established hotel, motel or inn containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons. The remaining three (3) licenses may be granted to a hotel, motel or inn meeting the aforestated requirements or to bona fide restaurants open to the general public having dining facilities for not less than one hundred (100) persons; and further provided that additional licenses to sell alcoholic beverages by the drink for consumption on the premises may be granted to social membership clubs established and maintained for the benefit of members only by bona fide fraternal or veterans organizations.

(6) The governing body may also incorporate in the regulatory ordinance such other reasonable rules and regulations as may be necessary or desirable for the proper administration and enforcement of this section and for the maintenance of public order in a limited sale precinct, and for the issuance of any licenses permitted by KRS 243.070; provided that any rule or regulation adopted in the regulatory ordinance shall conform to the requirements of KRS 241.190.

(7) Notwithstanding any limitations imposed on the city's taxing or licensing power by KRS 243.070 upon the discontinuance of prohibition in any limited sale precinct, the governing body of the city is hereby authorized to impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each city budget period at such percentage rate as shall be reasonably estimated to fully reimburse the city for the estimated costs of any additional policing, regulatory or administrative expenses related to the sale of alcoholic beverages in the city. Such regulatory license fee shall be in addition to any other taxes, fees or licenses permitted by law, but a credit against such fee shall be allowed in an amount equal to any licenses or fees imposed by the city pursuant to KRS 243.070.

(8) Subject to the limitation imposed by subsection (3) of this section, no provision contained in this section providing for the establishment of a limited sale precinct shall preclude or abridge the right of the constitutionally qualified voters of such precinct to petition for a subsequent election on the same question.

(9) If an election is held pursuant to other provisions of KRS Chapter 242 in the city or the county in which a limited sale precinct is located for the purpose of taking the sense of the voters upon the question

of adopting or repealing prohibition for the entire city or the entire county, the status of such question in a limited sale precinct shall be determined in the following manner:

(a) The status of a limited sale precinct shall not be affected by any election for the entire city or the entire county if such limited sale precinct was established less than five (5) years prior to the date of the proposed election for the entire city or the entire county and in such case [~~no ballot shall be furnished to~~] the voters of any limited sale precinct *shall not vote* in such election.

(b) If such limited sale precinct was established more than five (5) years prior to the date of the proposed election for the entire city or the entire county, the voters within each limited sale precinct shall be *presented with* [~~furnished a ballot upon which~~] the question [~~shall be~~], "Are you in favor of continuing the sale of alcoholic beverages in (official name and designation of precinct) as a limited sale precinct?" No other *question* [~~ballot~~] shall be *presented* [~~furnished~~] to the voters of any limited sale precinct.

(c) The *votes* [~~ballots~~] of each limited sale precinct shall be counted separately, and, if a majority of the votes cast in the limited sale precinct are in favor of continuing the sale of alcoholic beverages therein as a limited sale precinct, then such status shall continue within such precinct, except that if the city or the county in which the limited sale precinct is located votes against prohibition in the remainder of the city or the county, the limited sale precinct status of any precinct may be terminated by the governing body of the city or the county and thereafter the status of such precinct shall be the same as that in effect for the remainder of the city or the county.

(10) Any precinct located entirely within any city of the second class in which prohibition is in effect in all or part of the city shall be designated as a limited sale precinct by the governing body of the city; provided that:

(a) The governing body determines to its satisfaction that the general trade, business and economy of one (1) or more of the precincts within the city is substantially adversely affected by reason of the legal sale of alcoholic beverages in any neighboring or adjoining state, county, city, town, district or precinct. For the purpose of making such determination, the governing body may hold such hearings, examine such witnesses or receive such evidence as it believes necessary or desirable for such purpose; or

(b) The governing body receives a petition signed by a number of constitutionally qualified voters of a precinct equal to thirty-three percent (33%) of the votes cast in the precinct at the last preceding general election requesting the governing body of the city to designate such precinct as a limited sale precinct. The petition may consist of one (1) or more separate units and shall be filed with the mayor of the city. In addition to the name of the voter, the petition shall also state his post office address and the correct date upon which his name is signed. Upon receipt of the petition, the mayor shall cause the same to be presented to the governing body of the city at its next regularly scheduled meeting and, after verifying that such petition is in compliance with the requirements of this section, the governing body shall forthwith by ordinance designate the precinct to be a limited sale precinct.

Section 67. KRS 242.1294 is amended to read as follows:

The proposition to be voted on in any election held pursuant to KRS 242.1293 and this section shall be: "Are you in favor of the sale of distilled spirits, wine and malt beverages by the drink for consumption on the premises in (name of county or city) by hotels, motels and inns containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons and in restaurants having dining facilities for not less than one hundred (100) persons?" [~~There shall be two (2) places on the ballot for registering votes, one (1) for votes favoring the proposition which shall be designated by the word "yes", and one (1) for votes opposing the proposition which shall be designated by the word "no".~~] Each voter shall designate his vote by *a* [~~the word~~] "yes" or *a* [~~the word~~] "no" *vote.*

Section 68. KRS 247.487 is amended to read as follows:

The commissioner of agriculture shall likewise prepare and distribute in advance of such referendum *the question to be presented to the voters* [~~all necessary ballots for the purpose thereof~~], and shall arrange for the necessary poll holders for conducting the said referendum; and following such referendum and within ten (10) days thereafter the said commissioner shall canvass and publicly declare the result of such referendum.

Section 69. KRS 247.560 is amended to read as follows:

The commissioner of agriculture shall likewise prepare and distribute in advance of such referendum *the question to be presented to the voters* [~~all necessary ballots for the purpose thereof~~] and shall arrange for the necessary poll holders for conducting the referendum. Following such referendum and within ten (10) days thereafter the commissioner shall canvass and publicly declare the result of such referendum.

Section 70. KRS 247.660 is amended to read as follows:

The commissioner of agriculture shall likewise prepare and distribute in advance of such referendum *the question to be presented to the voters* [~~all necessary ballots for the purpose thereof~~] and shall arrange for the necessary poll holders for conducting the referendum. Following such referendum and within ten (10) days thereafter the commissioner shall canvass and publicly declare the result of such referendum.

Section 71. KRS 247.760 is amended to read as follows:

The commissioner of agriculture shall prepare and distribute in advance of the referendum *the question to be presented to the voters* [~~all necessary ballots for the purpose thereof~~] and shall arrange for the necessary poll holders for conducting the referendum. Following the referendum and within ten (10) days thereafter, the commissioner shall canvass and publicly declare the result of the referendum.

Section 72. KRS 247.860 is amended to read as follows:

The commissioner shall likewise prepare and distribute in advance of the referendum *the question to be presented to the voters* [~~all necessary ballots for the purpose thereof~~] and shall arrange for the necessary poll holders for conducting the referendum. Following the referendum and within ten (10) days thereafter, the commissioner shall canvass and publicly declare the result of the referendum.

Section 73. KRS 262.120 is amended to read as follows:

After the commission has made and recorded a determination that there is need, in the interest of the public health, safety and welfare, for the organization of a district in a particular territory and has defined the boundaries of that district, it shall consider the question whether the operation of a district within those boundaries with the powers conferred upon districts in this chapter is administratively practicable and feasible. To assist the commission in the determination of administrative practicability and feasibility, the commission shall, within a reasonable time after entry of the finding that there is need for the organization of the district and the determination of the boundaries of the district, hold a referendum within the proposed district upon the proposition of the creation of the district, and cause due notice of the referendum to be given. The question shall be submitted *to the voters in the following form:* [~~by ballots upon which appear the words,~~] "For creation of a soil conservation district of the lands below described and lying in the County (or Counties) of ...., ..., and ...." and "Against creation of a soil conservation district of the lands below described and lying in the County (or Counties) of ...., and ....." [~~A square shall follow each proposition.~~] The *voter* [~~ballot~~] shall *be instructed* [~~also contain a direction~~] to *vote "yes" for* [~~insert an "X" mark in the square following~~] one or the other of the propositions, as the voter may favor or oppose creation of the district. The [~~ballot shall set forth the~~] boundaries of the proposed district as determined by the commission *shall be set forth.* Only owners of lands lying within the boundaries of the territory, as determined by the commission, shall be eligible to vote in the referendum.

Section 74. KRS 262.130 is amended to read as follows:

(1) The commission shall pay all expenses for the issuance of notices and the conduct of the hearings and referendum provided for in KRS 262.110 and 262.120, and shall supervise the conduct of the hearings and referendum. It shall issue appropriate regulations governing the conduct of the hearings and referendum and providing for the registration prior to the date of the referendum of all eligible voters, or prescribing some other appropriate procedure for the determination of the eligibility of voters in the referendum.

(2) In all referendums under this chapter, provision shall be made for those opposing the establishment of a district or the adoption of any regulation to have equal representation with the proponents of the measure in the registration and determination of eligibility of voters, in the election officers, in the holding of the referendum, in the custody of the *votes cast* [~~ballots~~] and in the canvassing and certifying of the returns.

Section 75. KRS 262.220 is amended to read as follows:

The county clerk shall cause the names of all nominees on behalf of whom nominating petitions have been filed under KRS 262.210 to be *prepared* [~~printed~~] for *presentation to the voters in* [~~the voting machines and on the special ballots for~~] the regular elections as provided in KRS 117.145. In counties encompassing more than one (1) soil and water conservation district, where portions of more than one (1) district are within the boundaries of a single voting precinct, separate *votes* [~~ballots~~] shall be *taken* [~~printed~~] for the election of supervisors. The election of soil and water conservation district supervisors shall be subject to the provisions of KRS Chapter 118 for the conduct of regular elections, except that the cost of placing the names of the nominees *before* [~~on~~] the *voters* [~~voting machines and on the ballots~~] shall be borne by the commission.

Section 76. KRS 262.370 is amended to read as follows:

(1) Copies of the proposed land-use regulation shall be available for the inspection of all eligible voters during the period between publication of notice and the date of the referendum. The notices of the referendum shall recite the contents of the proposed regulation, or shall state where copies of the proposed regulation may be examined.

(2) The question shall be submitted *to the voters in the following form:* [~~by ballots, upon which appear the words~~] "For approval of proposed ordinance No. ...., prescribing land-use regulations for conservation of soil and prevention of erosion" and "Against approval of proposed ordinance No. ...., prescribing land-use regulations for conservation of soil and prevention of erosion." [~~A square shall be before each proposition.~~] The *voters* [~~ballot~~] shall *be instructed to vote "yes" for* [~~also contain a direction to insert an "X" mark in the square before~~] one or the other of the propositions, as the voter may favor or oppose approval of the proposed regulation.

Section 77. KRS 262.540 is amended to read as follows:

(1) Within sixty (60) days after a petition for discontinuance of a district has been received by the commission it shall give due notice of the holding of a referendum, supervise the referendum and issue appropriate regulations governing the conduct of the referendum.

(2) The question shall be submitted *to the voters in the following form:* [~~by ballots upon which appear the words~~] "For terminating the existence of the .... (name of the district)" and "Against terminating the existence of the .... (name of the district)." [~~A square shall be before each proposition.~~] The *voters* [~~ballot~~] shall *be instructed to vote "yes" for* [~~also contain a direction to insert an "X" mark in the square before~~] one or the other of the propositions, as the voter may favor or oppose discontinuance of the district. Only owners of lands lying within the boundaries of the district may vote in the referendum.

(3) No informalities in the conduct of the referendum or in any matters relating to the referendum shall invalidate it or its result if notice of the referendum shall have been given substantially as provided in subsection (1) and the referendum has been fairly conducted.

Section 78. KRS 262.730 is amended to read as follows:

The question to be voted on shall be submitted *in the following form* [~~by ballots upon which appear the words~~]:

"For the creation of .... watershed conservancy district"

"Against the creation of .... watershed conservancy district"

[~~A square shall follow each proposition.~~] The *voters* [~~ballot~~] shall *be instructed* [~~also contain a direction~~] to *vote "yes" on* [~~insert an "X" mark in the square following~~] one or the other of the propositions, as the voter may favor or oppose creation of the district. The [~~ballot shall set forth the~~] boundaries of the proposed district as determined by the board of supervisors *shall be set forth.* Only owners of lands lying within the boundaries of the territory shall be eligible to vote in the referendum. Qualified voters may vote by absentee *vote* [~~ballot~~] in such referendum under rules set out in KRS Chapter 117.

Section 79. KRS 262.735 is amended to read as follows:

The votes shall be counted by the election officers at the close of the polls and report of the results, along with the *votes which have been cast,* [~~ballots~~] delivered to the polling superintendent, who shall certify the results to the board of supervisors. If a majority of the votes cast favor creation of the district, the board of supervisors shall certify such results to the county clerk in the county or counties involved. Upon proper recording of such action such watershed conservancy district shall be duly created. After recording, the certification shall be filed with the state soil conservation commission.

Section 80. KRS 262.748 is amended to read as follows:

(1) Upon determination by the board of directors of a watershed conservancy district that the improvement, continuing operation, or maintenance of a watershed project is necessary, the board of directors may adopt a resolution which shall set out: (a) a list of the benefited lands located in the flood plain, as determined by the board of directors, giving the acreage of such lands and the names of the owners thereof as defined by KRS 262.010(6) with a classification of such lands or parts thereof into classes in order that assessments may be made according to direct benefits, and (b) the annual assessments to be levied upon the lands set out in the resolution on the basis of a certain amount per acre according to benefits received, not to exceed in any one year a sum per acre specified in the resolution.

(2) The board of directors shall cause due notice of the resolution to be given to all the owners of benefited lands, as determined by the board. Said notice shall set out the time and place of a meeting of the board of directors of the watershed conservancy district at which owners of benefited lands who may be liable for the annual assessments may be heard.

(3) At the hearing upon the resolution, owners of benefited lands may voice their views concerning the proposal as to whether it should be undertaken, and the scope thereof, or the degree of benefit received by their lands. The board shall prepare a record summarizing the proceedings. If the board of directors determines as a result of the hearing that the proposal should be carried out as planned, it may make such changes or revisions in the resolution as it deems proper and shall give due notice of an election to be held at which benefited landowners may vote on the question of annual special assessments to defray the cost. The notice of the election shall include the text of the resolution of the board in its final form. The board of directors may give due notice as provided in KRS 262.010(4).

(4) The board of directors shall prepare [~~official ballots to be used in~~] the *following question to be presented to the voters* [~~electon which shall state the question~~]: "Should the assessment for improvement, continuing operation, or maintenance proposed by resolution of the __________ watershed conservancy district be adopted?" *Voters shall be instructed to vote "yes" or "no" on the proposition* [~~Squares indicating a yes or no answer should follow the question with a direction to insert an "X" mark in the square favored~~]. Only owners of benefited land as set out in the resolution shall be eligible to vote. The board of directors may provide for a meeting of the landowners at which the vote may be cast, in which case qualified voters may vote by absentee *vote* [~~ballot~~]. The board shall appoint a polling superintendent and other necessary election officers, giving representation to the opponents of the question as well as to proponents.

(5) If a majority of those voting upon the proposition favor the assessment the board shall give due notice of the vote. Any owner of property to be benefited by the project may, within forty days after publication of such notice, file an action in the circuit court of the county in which his lands are located seeking relief by declaratory judgment or injunction. If a suit is filed, the county attorney shall represent the board of directors in upholding the validity of the proposed assessment. After the lapse of time specified herein all actions by owners of properties to be benefited shall be forever barred.

(6) If no suit is filed and no injunction issued within the time allowed in subsection (5) of this section, the board of directors shall levy annual assessments effective only upon the benefited properties and based on the acreage thereof. The annual assessment shall be made by the board of directors at the same time and in the same manner as provided in KRS 262.765 for taxes generally and shall be collected as provided in KRS 262.770. The assessments shall constitute liens against the land benefited and shall attach to the land, taking precedence over all other liens except state, county and municipal taxes and prior improvement assessments.

Section 81. KRS 262.778 is amended to read as follows:

(1) Upon determination by the board of directors of a watershed conservancy district that a watershed project is necessary, and upon approval of the plans for same by the board of supervisors, the board of directors shall adopt a resolution which shall set out: (a) a description of the project in general terms, (b) a list of the benefited lands located in the flood plain, as determined by the board of directors, giving the acreage of such lands and the names of the board of directors, giving the acreage of such lands and the names of the owners thereof as defined by KRS 262.010 (6) with a classification of such lands or parts thereof into classes in order that assessments may be made according to direct benefits, (c) the total cost of the project, and (d) the fact that the cost shall be met by a bond issue payable solely from annual assessments to be levied upon the lands set out in the resolution on the basis of a certain amount per acre according to benefits received, not to exceed in any one year a sum per acre specified in the resolution, with the annual assessments to extend over a period of years specified in the resolution not to exceed thirty (30) years.

(2) The board of directors shall cause due notice of the resolution to be given to all the owners of benefited lands, as determined by the board. Said notice shall set out the time and place of a meeting of the board of directors of the watershed conservancy district at which owners of benefited lands who may be liable for the annual assessments may be heard.

(3) At the hearing upon the resolution owners of benefited lands may voice their views concerning the proposed project as to whether said project should be undertaken, and the scope thereof, or the propriety of placing their lands in the project area or the degree of benefit received by their lands. The board shall prepare a record summarizing the proceedings. If the board of directors determines as a result of the hearing that the project should be carried out as planned it may make such changes or revisions in the resolution as it deems proper and shall give due notice of an election to be held at which benefited land owners may vote on the question of annual special assessments to defray the cost of the project. The notice of the election shall include the text of the resolution of the board in its final form. The board of directors may give due notice as provided in KRS 262.010(4).

(4) The board of directors shall prepare [~~official ballots~~] to be *presented to* [~~used in~~] the *voters* [~~election which shall state~~] the question: "Should the assessment proposed by resolution of the .... watershed conservancy district be adopted?" *Voters shall be instructed to vote "yes" or "no."* [~~Squares indicating a yes or no answer should follow the question with a direction to insert an "X" mark in the square favored.~~] Only owners of benefited land as set out in the resolution shall be eligible to vote. The board of directors may provide for a meeting of the landowners at which the vote may be cast, in which case qualified voters may vote by absentee *vote* [~~ballot~~]. The board shall appoint a polling superintendent and other necessary election officers, giving representation to the opponents of the question as well as to proponents.

(5) If a majority of those voting upon the proposition favor the assessment the board shall give due notice of the vote and the fact that bonds will forthwith be issued payable from special assessments. Any owner of property to be benefited by the project may, within forty days after publication of such notice, file an action in the circuit court of the county in which his lands are located seeking relief by declaratory judgment or injunction. If a suit is filed the county attorney should represent the board of directors in upholding the validity of the proposed bond issue. After the lapse of time specified herein all actions by owners of properties to be benefited shall be forever barred.

(6) If no suit is filed and no injunction issued within the time allowed in subsection (5) of this section the board of directors shall by resolution authorize the issuance of bonds designated "watershed project assessment bonds", determining the principal amount thereof and establishing the denominations and maturity dates thereof and shall levy an annual assessment effective only upon the benefited properties and based on the acreage thereof. The annual rate of such assessments shall be fixed when other taxes of the district are levied and shall be sufficient in each year to provide for the payment of such bonds and interest coupons as they mature and sufficient to provide a fund equal to twenty (20) per cent of the average annual principal and interest requirements, the same to constitute a "debt service reserve" as a precaution against possible

default by failure to collect annual levies. The bonds shall state on their face that they do not constitute a debt of the district but are payable solely from collection of special assessments made upon benefited lands lying in the watershed conservancy district.

Section 82. KRS 424.290 is amended to read as follows:

(1) Not less than three days before any primary or regular election the county clerk shall cause to be published in a newspaper a copy of the face of the voting machines, *or where an electronic or electromechanical voting system is used, a copy of the ballot cards or supplementary material on which appear the names of candidates or issues to be voted upon.* Where the *lists of candidates or issues to be voted upon* [~~voting machine faces~~] differ for various precincts within the county, the county clerk shall cause to be published only one *set of data* [~~voting machine face~~] with appropriate notations showing the differences in the various precincts. If supplemental paper ballots have been approved as provided in KRS 118.215, the paper ballot shall be published at the same time as *other material required to be published by this subsection* [~~the face of the voting machine~~]. The cost of publication shall be paid by the county, except that the cost of publishing any voting *data required to be published by this subsection* [~~machine face~~] that is limited to a city election or a district election other than a school district election shall be paid by the city or the district as the case may be.

(2) "Copy," as used in subsection (1) of this section, means a summary of *candidates and issues to be voted upon* [~~a voting machine face~~] showing all the pertinent information that will appear, *upon which the voters will cast their votes at a particular polling place* [~~on a particular voting machine face~~].

Section 83. KRS 436.165 is amended to read as follows:

In addition to the provisions of KRS 436.160:

(1) The legislative body of any city, except as to activities permitted under KRS 436.160, shall have the exclusive power to enact ordinances or orders permitting and regulating other retail sales and activities on Sunday within its jurisdictional boundaries, subject to subsection (4) hereof.

(2) The fiscal court of each county, except as to activities permitted under KRS 436.160, shall have exclusive power to enact resolutions or orders permitting and regulating other retail sales and activities on Sunday in that portion of the county which lies outside of the corporate limits of any cities within said county, subject to subsection (4) hereof.

(3) In any city, county, or urban-county government where the legislative body has failed to enact ordinances permitting retail sales and activities on Sunday, the matter may be put to a vote of the people. Upon a petition signed by eligible voters in a number equal to twenty-five percent (25%) of the voters who voted in the last general election, a proposition to permit retail sales and activities on Sunday shall be placed *before* [~~on~~] the *voters at* [~~ballot for~~] the next general election. Any such petition shall be submitted to the county clerk of that county for verification of the signatures. The petition shall be submitted at least three (3) months prior to a general election to be eligible for placement of the question *before* [~~on~~] the *voters* [~~ballot~~].

(4) Notwithstanding subsections (1), (2) and (3) of this section, any ordinance, resolution or order adopted by the legislative body of any city or the fiscal court of any county pertaining to retail sales and activities on Sunday shall be subject to the following limitations:

(a) No employer shall require as a condition of employment that any employe work on Sunday or on any other day of the week which any such employe may conscientiously wish to observe as a religious Sabbath.

(b) No employer shall in any way discriminate in the hiring or retaining of employes between those who designate a Sabbath as their day of rest and those who do not make such designation, provided, however, that the payment of premium or overtime wage rates for Sunday employment shall not be deemed discriminatory.

(c) No person permitted, under the provisions of this section, to engage in a retail business on Sunday shall be open to the public between the hours of 6 a.m. and noon on any Sunday.

(d) Every employer engaged in retail sales on Sunday shall allow each person employed by him in connection with such business or service at least twenty-four (24) consecutive hours of rest in each calendar week in addition to the regular periods of rest normally allowed or legally required in each working day.

(e) No business shall be required to be open on Sunday as part of a lease agreement, franchise agreement or any other contractual arrangement. The provisions of this subsection shall not apply to any lease agreement, franchise agreement or any other contractual arrangement entered into before July 15, 1980.

SB 327, AN ACT relating to the Kentucky building code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.260 is amended to read as follows:

(1) Within one (1) year of July 15, 1980, the board of housing, buildings and construction shall issue regulations which will establish the requirements necessary for making buildings accessible to and usable by physically handicapped persons. Such regulations shall require, as a minimum, that all buildings, with the exception of one (1) and two (2) family dwellings and multi-family projects consisting of twenty-four (24) living units or less, historical structures, and small business concerns [~~as defined in state and federal regulations~~], be accessible to physically handicapped persons. If multi-family projects are not exempt hereunder, only one out of every twenty-five (25) units must be accessible to the handicapped. These regulations shall be incorporated in the Kentucky building code. *For the purposes of such regulations any building of an occupant load, occupancy type or size not listed herein below shall be defined as a small business concern:*

(a) Storage, miscellaneous and temporary occupancies in which the total occupant load is in excess of one hundred (100) persons or twenty thousand square feet or three stories.

(b) Factory and industrial occupancies in which the total occupant load is in excess of one hundred (100) persons or twenty thousand (20,000) square feet.

(c) Business occupancies in which the total occupant load is in excess of one hundred (100) persons or ten thousand (10,000) square feet.

(d) Mercantile occupancies in which the total occupant load is in excess of one hundred (100) persons, three thousand (3,000) square feet of consumer area or ten thousand (10,000) square feet of total floor area.

(e) Churches, parochial and private schools and other similar non-public assembly type occupancies in which the total occupant load is in excess of two hundred and fifty (250) persons or three thousand two hundred (3,200) square feet.

(f) Assembly occupancies (other than those in subsection (e)) in which the total occupant load is in excess of fifty (50) persons or fifteen hundred (1500) square feet total area.

(g) Residential occupancies, with the exception of single family dwellings, duplexes and multi-family housing projects of less than twenty-five (25) units.

(h) Institutional occupancies, with the exception of child day care facilities providing care for less than thirteen (13) children.

(i) All buildings and facilities which are leased or owned by the state, county, city or other municipal corporation, regardless of type of use, occupant load or total square footage.

(j) Any establishment which is physically located within any building or facility otherwise covered by this section or within the premises of which is physically located any such covered establishment; and which also holds itself out as serving patrons of such covered establishment.

(k) All gasoline service stations regardless of size or occupant capacity.

(2) The regulations issued by the board shall be designed after and may be selected from models such as the North Carolina building code, the BOCA basic building code and other nationally recognized codes.

(3) No building permit or other official authorization for construction of any building shall be valid unless the plans and specifications are in compliance with the accessibility requirements as stated in the Kentucky building code.

SCR 50, A CONCURRENT RESOLUTION authorizing and directing a comprehensive study by the Legislative Research Commission into the comparable worth issue among the jobs of state employes in Kentucky.

WHEREAS, embodied in the comparable worth theory there are pay differentials between male and female employes who perform comparable work on jobs which have comparable requirements relating to skill, effort and responsibility; and

WHEREAS, the U.S. Department of Labor reports in 1980 the median pay for full-time female workers was estimated at $11,196 annually or sixty percent (60%) of the $18,611 estimated median pay received by full-time male workers; and

WHEREAS, the Kentucky Commission on Human Rights reports in 1980 the median pay for female state workers in Kentucky was estimated at $11,471 annually or seventy-one percent (71%) of the $14,937 estimated median pay received by male state workers in Kentucky;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That the Legislative Research Commission conduct a survey and study of the employment classifications of Kentucky state government. The study must be based on the comparable worth theory and shall include but not be limited to the application of a point-factor job evaluation system.

Section 1. The recommendations of the study shall be submitted to the General Assembly no later than July 1, 1983.

Section 2. Staff services to be utilized in completing this study are estimated to cost $14,000. These staff services shall be provided from the regular Commission budget and are subject to the limitation and other research responsibilities of the Commission.

Recess

Representative LeMaster moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative LeMaster moved that the rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Rules reported **HB 51, HB 295,** and **HB 475** have been posted for passage in Orders of the Day, March 24, 1982.

Representative LeMaster moved that the rules be suspended for consideration of a Citation and that the subject address the House. Agreed.

Representative Barrows moved that the rules be suspended to allow the privilege of the floor to Paul Green. Agreed.

Representative Barrows moved the adoption of the following Legislative Citation No. 67:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Paul Green, son of William and Terri Green of Versailles, Kentucky, for your outstanding record as a senior at Woodford County High School, Versailles, Kentucky. You have made a most impressive and creditable record as Championship Winner for the second year of the State Oratorical Contest sponsored by the American Legion Post 67 that was held in Frankfort, February 28, 1982. You have exemplified the high ideals of academic achievement, perserverance, school loyalty and love for your country. You have brought distinction and great pride to your family, school and community. We salute you and we are very proud to have you represent us in the National Regional Contest to be held in Lansing, Michigan, April 19, 1982. This body extends to you our very best wishes for success in the National competition.

Paul Green addressed the House.

Orders of the Day

A discharge petition was filed in **HB 232.**

HB 810, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Floor Amendment No. 7 to **HB 810.** Agreed.

Representative LeMaster moved that **HB 810,** as amended, be passed.

Representative Stumbo moved the adoption of the Floor Amendment No. 6 to **HB 810.**

Representative List inquired whether Floor Amendment No. 6 was in order after the adoption of Floor Amendment No. 7 to **HB 810.**

The Speaker ruled Floor Amendment No. 6 to **HB 810** was in order.

Representative Stumbo moved that the rules be suspended to withdraw Floor Amendment No. 6 to **HB 810.** Agreed.

On the roll call the vote was yeas 57-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Hancock, Handy, Heleringer, Hines, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 37-Allen, Brinkley, Brown, Bruce, Burnette, Caldwell, Cline, Crupper, Dawahare, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Harper, Head, Holbrook, Holloway, Layman, Lefevers, Lile, Moore, Morris, Noland, Overstreet, Patrick, Rattliff, Robinson, Schmidt, Seum, Todd, Turner, Van Horn, White.

HB 810, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 810,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 682, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Floor Amendment No. 2 to **HB 682.** Agreed.

Representative Donnermeyer moved the adoption of the Floor Amendment No. 1 to **HB 682.** Agreed.

Representative Kenton moved that **HB 682,** as amended, be passed.

On the roll call the vote was yeas 68-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clarke, Cline, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Johnson, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Perkins, Petty, Richards, B. Richardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 15-Crupper, Ellington, Ford, Fryman, Heleringer, Layman, Moore, Patrick, Pearman, Rattliff, Robinson, Seum, Turner, Van Horn, White.

HB 682, as amended, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 682,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 135, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 135** be passed.

Representative Thomason moved the adoption of the Floor Amendment No. 1 to **SB 135.** Agreed.

Representative Stumbo moved that **SB 135,** as amended, be passed.

On the roll call the vote was yeas 89-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays -0.

SB 135, as amended, was passed an the title agreed to.

Representative Stumbo moved that the vote by which **SB 135,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 168, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 168** be passed.

Representative Richards moved the adoption of the Floor Amendment No. 1 to **SB 168.** Agreed.

Representative Barrows moved the adoption of the Committee Amendment No. 1 to **SB 168.** Agreed.

Representative LeMaster moved that **SB 168,** as amended be passed.

On the roll call the vote was yeas 78-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Yates. Nays 10-Allen, Bruce, Caldwell, Clapp, Layman, Lile, Noland, Patrick, Schmidt, Todd.

SB 168, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 168,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 18, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved that **SB 18** be passed.

On the roll call the vote was yeas 64-Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clarke, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Ford, Gray, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Kidd, Lile, Little, Long, Maggard, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 17-Allen, Caldwell, Cline, Cowan, Endicott, Foster, Freibert, Fryman, Guenthner, Haering, Harper, R. Jones, T. Jones, Kenton, Layman, Patrick, Todd.

SB 18 was passed and the title agreed to.

Representative Meyer moved that the vote by which **SB 18** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 704 taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Bennett moved that **HB 704** be passed.

Representative Nett moved that **HB 704** be laid on the table.

On the roll call the vote was yeas 31-Allen, Brown, Burch, Burnette, Caldwell, Clapp, Crupper, Dawahare, Ellington, Ford, Foster, Fryman, Harper, Head, Johnson, Layman, Lile, List, Maggard, Nett, Overstreet, Patrick, Petty, Rattliff, Robinson, Schmidt, F. Smith, Stone, Tobin, Todd, Turner. Nays 39-Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, P. Clark, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Gray, Haering, Hancock, Holloway, R. Jones, Kenton, Lefevers, LeMaster, Little, McBee, Meyer, Moberly, Morris, Pearman, Perkins, Priddy, Rapier, Richards, B. Richardson, Riner, Seum, Thomas, Thomason, Van Horn, Williams, Yates.

The motion that **HB 704** be laid on the table was rejected.

On the roll call the vote was yeas 38-Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Clark, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Gray, Guenthner, Hancock, Holloway, R. Jones, Kenton, Kidd, LeMaster, Little, Meyer, Morris, Noland, Pearman, Perkins, Priddy, Rapier, Richards, B. Richardson, Seum, Thomas, Van Horn, White, Williams, Yates. Nays 43-Allen, Burch, Burnette, Caldwell, Clapp, Cowan, Crupper, Dawahare, Deskins, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Haering, Harper, Head, Johnson, Layman, Lefevers, Lile, List, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Nett, Overstreet, Patrick, Petty, Rattliff, P. Richardson, Riner, Robinson, Schmidt, F. Smith, Thomason, Tobin, Todd, Turner.

HB 704 was defeated.

HB 282, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of the Committee Substitute to **HB 282.** Agreed.

Representative Guenthner moved that **HB 282,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 57-Arnold, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Harper, Heleringer, Holbrook, Holloway, R. Jones, Kenton, LeMaster, Lile, Little, Long, Lundergan, McBee, McNutt, Nett, Noland, Petty, Priddy, Rattliff, Riner, Schmidt, Seum, B. Smith, F. Smith, Stumbo, Tobin, Todd, Van Horn, White, Yates. Nays 19-Barrows, J. Clarke, Crupper, Cyrus, Ellington, Hancock, T. Jones, Layman, Maggard, Noe, Overstreet, Patrick, Pearman, Rapier, Richards, B. Richardson, P. Richardson, Thomason, Turner.

HB 282, by way of Committee Substitute, was passed and the title agreed to.

Representative Guenthner moved that the vote by which **HB 282,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 768, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pearman moved the adoption of the Committee Substitute to **HB 768.** Agreed.

Representative Pearman moved that **HB 768,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

HB 768, by way of Committee Substitute, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 768,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the rules be suspended to communicate. Agreed.

Representative LeMaster announced the Committee Substitute to **HB 295** is the budget bill and members should look at it.

HB 627 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 627** be passed.

On the roll call the vote was yeas 44-Bennett, Blandford, Blevins, Brinkley, Bruce, Burch, Clark, Clarke, Cowan, Deskins, Donnermeyer, Dunn, Hancock, Handy, Harper, Heleringer, Hines, R. Jones, Kenton, Kidd, LeMaster, List, Little, Lundergan, Maggard, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Petty, Priddy, Richards, B. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Williams, Yates. Nays 46-Allen, Arnold, Boswell, Bronger, Brown, Burnette, Caldwell, Clapp, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Haering, Head, Holbrook, Holloway, T. Jones, Layman, Lefevers, Lile, Long, Mann, McBee, Moore, Noland, Overstreet, Patrick, Perkins, Rapier, P. Richardson, Robinson, Schmidt, Tobin, Todd, Turner, Van Horn, White.

HB 627 was defeated.

HB 639, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Jones moved the adoption of the Committee Amendment No. 1 to **HB 639.** Agreed.

Representative R. Jones moved the adoption of the Committee Amendment No. 2 to **HB 639.** Agreed.

Representative R. Jones moved that **HB 639,** as amended, be passed.

Representative Van Horn moved the adoption of the Floor Amendment No. 2 to **HB 639.**

Representative Richards inquired whether Floor Amendment No. 2 to **HB 639** was germane to the bill.

The Speaker ruled Floor Amendment No. 2 to **HB 639** was not germane to the bill.

Representative Williams moved the adoption of the Floor Amendment No. 1 to **HB 639.**

Representative Tobin inquired whether Floor Amendment No. 1 to **HB 639** was germane to the bill.

The Speaker ruled Floor Amendment No. 1 to **HB 639** was not germane to the bill.

Representative R. Jones moved that **HB 639,** as amended, be passed.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 52-Allen, Arnold, Bennett, Blevins, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Guenthner, Haering, Head, Holbrook, Holloway, R. Jones, Lefevers, LeMaster, List, Little, Long, McBee, McNutt, Morris, Nett, Noland, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, Stone, Tobin, Van Horn, Williams, Worthington, Yates. Nays 36-Barrows, Bendl, Blandford, Boswell, Brown, Burnette, P. Clark, Cline, Cyrus, Dawahare, Deskins, Donnermeyer, Farrow, Fryman, Gray, Hancock, Handy, Heleringer, Johnson, T. Jones, Lile, Maggard, Moberly, Noe, Overstreet, Patrick, Perkins, Rattliff, Robinson, Seum, B. Smith, F. Smith, Stumbo, Todd, Turner, White.

HB 639, as amended, was passed and the title agreed to.

Representative R. Jones moved that the vote by which **HB 639,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 2, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title and only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 5 to **SB 2.** Agreed.

Representative Mann moved that **SB 2,** as amended, be passed.

Representative Gray moved the adoption of the Floor Amendment No. 3 to **SB 2.**

Representative Lundergan inquired whether Floor Amendment No. 3 was germane to **SB 2.**

Speaker Pro Tempore Thomason ruled Floor Amendment No. 3 was germane to **SB 2.**

Representative Gray moved the adoption of Floor Amendment No. 3 to **SB 2.**

On the roll call the vote was yeas 42-Allen, Bendl, Bennett, Blandford, Brinkley, Burnette, Clapp, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Ford, Foster, Fryman, Gray, Haering, Harper, Head, Holbrook, R. Jones, Kenton, Layman, Little, Maggard, Moberly, Noe, Noland, Overstreet, Patrick, Priddy, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Turner, Van Horn, Williams. Nays 46-Barrows, Blevins, Boswell, Bruce, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Donnermeyer, Farrow, Freibert, Guenthner, Handy, Heleringer, Hines, Holloway, Johnson, T. Jones, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McNutt, Meyer, Moore, Morris, Nett, Pearman, Perkins, Petty, Rattliff, Richards, P. Richardson, Schmidt, Seum, Thomas, Thomason, Tobin, Todd, Yates.

Floor Amendment No. 3 to **SB 2** was rejected.

Representative Little moved the adoption of Floor Amendment No. 4 to **SB 2.**

On the roll call the vote was yeas 30-Allen, Bennett, Blandford, Blevins, Boswell, Burnette, Clapp, Crupper, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Ford, Foster, Fryman, Gray, Haering, Kidd, Layman, Little, Patrick, Priddy, Rapier, Stone, Turner, Van Horn, Worthington, Yates. Nays 51-Barrows, Bendl, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Curd, Donnermeyer, Farrow, Freibert, Hancock, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McNutt, Moberly, Moore, Morris, Nett, Noland, Overstreet, Pearman, Perkins, Petty, Rattliff, Richards, Robinson, Schmidt, Seum, B. Smith, Thomas, Thomason, Tobin, Todd.

Floor Amendment No. 4 to **SB 2** was rejected.

Representative Mann moved that **SB 2,** as amended, be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Blevins, Boswell, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cowan, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Lundergan, Mann, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates. Nays 26-Allen, Bennett, Blandford, Brinkley, Brown, Burnette, Clapp, Cline, Craddock, Crupper, Cyrus, Ellington, Endicott, Ford, Foster, Fryman, Head, Layman, Lefevers, Little, Maggard, Moore, Patrick, B. Richardson, P. Richardson, Turner.

SB 2, as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **SB 2,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 119, HB 357, HB 396,** and **HB 731** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 5:25 p.m.)

Orders of the Day (continued)

HB 742, with Committee Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 742** be passed.

On the roll call the vote was yeas 89-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 742 was passed.

Representative Donnermeyer moved the adoption of the Committee Title Amendment to **HB 742.** Agreed.

Representative Donnermeyer moved that the vote by which **HB 742,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 230, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Amendment No. 3 to **HB 230.** Agreed.

Representative Priddy moved that **HB 230,** as amended, be passed.

On the roll call the vote was yeas 87-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 1-Patrick.

HB 230, as amended, was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 230,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 302, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved the adoption of the Committee Substitute to **HB 302.** Agreed.

Representative Morris moved that **HB 302,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 90-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays -0.

HB 302, by way of Committee Substitute, was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 302,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 40 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of **HR 40.**

HR 40 was adopted by voice vote.

Representative LeMaster moved that the vote by which **HR 40** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 66, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Moberly moved the adoption of the Floor Amendment No. 1 to **HCR 66.** Agreed.

Representative Moberly moved **HCR 66,** as amended, be passed. Agreed.

Representative Moberly moved that the vote by which **HCR 66,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 207 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **SB 207** be passed.

On the roll call the vote was yeas 70-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Freibert, Gray, Haering, Handy, Harper, Head Heleringer, Holbrook, Holloway, T. Jones, Kenton, Layman, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, Morris, Nett, Noe, Noland, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Yates. Nays 8-Farrow, Hancock, Little, McNutt, Meyer, Moberly, Tobin, Williams.

SB 207 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **SB 207** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 234, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dawahare moved the adoption of the Floor Amendment No. 3 to **SB 234.** Agreed.

Representative White moved the adoption of the Floor Amendment No. 2 to **SB 234.**

On the roll call the vote was yeas 53-Allen, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Clark, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Ford, Freibert, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Kenton, Kidd, Little, Lundergan, Mann, McBee, Moberly, Noe, Patrick, Perkins, Priddy, Richards, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Williams. Nays 18-Caldwell, Clapp, Ellington, Farrow, Foster, Hancock, Harper, Holbrook, Holloway, Lile, Maggard, McNutt, Morris, Pearman, Petty, Rapier, P. Richardson, Schmidt.

Floor Amendment No. 2 to **SB 234** was adopted.

Representative Cline moved that **SB 234,** as amended, be passed.

On the roll call the vote was yeas 64-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Foster, Gray, Guenthner, Haering, Handy, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Lundergan, Maggard, McBee, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Perkins, Priddy, Richards, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Williams, Yates. Nays 18-Allen, Barrows, Burnette, Craddock, Crupper, Ellington, Farrow, Fryman, Hancock, Harper, Head, McNutt, Pearman, Petty, Rapier, P. Richardson, Schmidt, Todd.

SB 234, as amended, was passed and the title agreed to.

Representative Cline moved that the vote by which **SB 234,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 197, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved that **SB 197** be passed.

Representative Overstreet moved the adoption of the Committee Amendment No. 1 to **SB 197.** Agreed.

Representative Noe moved that **SB 197,** as amended, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, LeMaster, Lile, Lundergan, Maggard, Mann, McBee, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 7-Hancock, Harper, Little, Nett, Patrick, Pearman, Schmidt.

SB 197. as amended, was passed and the title agreed to.

Representative Noe moved that the vote by which **SB 197,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 204 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cowan moved that **SB 204** be passed.

On the roll call the vote was yeas 72-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, Meyer, Moberly, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Williams, Worthington, Yates. Nays 9-Allen, Cyrus, Ellington, Fryman, Morris, Noland, Patrick, Pearman, Turner.

SB 204 was passed and the title agreed to.

Representative Cowan moved that the vote by which **SB 204** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 250, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Floor Amendment No. 1 to **SB 250.** Agreed.

Representative Petty moved the adoption of the Floor Amendment No. 2 to **SB 250.** Agreed.

Representative Petty moved that **SB 250,** as amended, be passed.

On the roll call the vote was yeas 68-Allen, Arnold, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Freibert, Guenthner, Haering, Handy, Harper, Hines, Holbrook, Holloway, R. Jones, Kidd, Layman, LeMaster, Lile, Long, Lundergan, Maggard, Mann, McBee, McNutt, Morris, Nett, Noe, Noland, Overstreet, Patrick, Perkins, Petty, Priddy, Rattliff, Richards, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 8-Barrows, Bennett, Farrow, Hancock, Meyer, Moberly, Pearman, Rapier.

SB 250, as amended, was passed and the title agreed to.

Representative Petty moved that the vote by which **SB 250,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Richardson presiding.

SJR 38 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McNutt moved the adoption of **SJR 38.** Agreed.

Representative McNutt moved that the vote by which **SJR 38** was adopted be reconsidered and said motion be placed on the table. Agreed.

SJR 10, with Committee Substitute, Committee Amendment, and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Substitute to **SJR 10.** Agreed.

Representative Barrows moved that **SJR 10,** by way of Committee Substitute, be adopted.

Representative Van Horn moved the adoption of Floor Amendment No. 1 to **SJR 10.**

Representative Barrows inquired whether Floor Amendment No. 1 was germane to **SJR 10.**

The Speaker ruled Floor Amendment No. 1 was germane to **SJR 10.**

Representative Van Horn moved the adoption of Floor Amendment No. 1 to Committee Substitute to **SJR 10.** Agreed.

Representative Barrows moved the adoption of **SJR 10,** by way of Committee Substitute as amended.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, Meyer, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 5-Blevins, Freibert, McNutt, Moberly, Tobin.

SJR 10, by way of Committee Substitute as amended, was adopted.

Representative Barrows moved the adoption of the Committee Title Amendment to **SJR 10.** Rejected.

Representative Van Horn moved the adoption of the Floor Title Amendment to **SJR 10.** Agreed.

HB 649, with Committee Substitute and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of the Committee Substitute to **HB 649.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 649.** Agreed.

Representative Thomason moved that **HB 649,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Farrow, Tobin.

HB 649, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 649,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the vote on **HB 682,** as amended by Floor Amendments No. 1 and 2, be reconsidered and that it be placed in Orders of the Day. Agreed.

HB 682, as amended by Floor Amendments No. 1 and No. 2, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that the vote on Floor Amendment No. 1 to **HB 682** be reconsidered. Agreed.

Representative Kenton moved that **HB 682,** as amended by Floor Amendment No. 2, be passed.

On the roll call the vote was yeas 66-Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Lundergan, Mann, McBee, Meyer, Moberly, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Williams, Worthington, Yates. Nays 14-Ellington, Endicott, Ford, Fryman, Guenthner, Haering, Heleringer, Layman, Patrick, Pearman, Rattliff, Todd, Turner, Van Horn.

HB 682, as amended by Floor Amendment No. 2, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 682,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Representative LeMaster moved that **HB 428** be recommitted to the Committee on Appropriations and Revenue and the posting requirement be waived. Agreed.

Representative Farrow moved that he be recorded as voting "yea" on **HB 649.** Agreed.

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolution

HR 102, by Representative T. Jones: A RESOLUTION in observance of the 40th Anniversary of the Bataan Death March.

Posting of Bills and Resolutions for Consideratoin

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environment: **SB 267, SB 380.**

Appropriations and Revenue: **HB 453.**

State Government: **SB 256, SB 353, SB 287, HR 38, SCR 24, SCR 26.**

Report of Committees

The Committee on State Government reported **HB 765** with Committee Substitute attached thereto, **SB 138** with Committee Substitute attached thereto, **SJR 45, SB 103** with Committee Substitute attached thereto, and **HR 81** with Committee Substitute and Committee Title Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 765, AN ACT relating to organizational sessions of the General Assembly.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 6A IS ESTABLISHED AND A NEW SECTION THEREOF CREATED TO READ AS FOLLOWS:

During an organizational session, the general assembly may employ less than but shall not employ more than the number of employes stated in Constitution Section 249.

Committee Substitute to **HB 765** is as follows:

HB 765, AN ACT relating to organizational sessions of the General Assembly.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 6A IS ESTABLISHED AND A NEW SECTION THEREOF CREATED TO READ AS FOLLOWS:

During an organizational session, the general assembly may employ less than but shall not employ more than the number of employes stated in Constitution Section 249.

SECTION 2. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Beginning as of January 1, 1983, the members of the general assembly, other than the speaker of the house of representatives, the president pro tempore of the senate and the majority and minority leadership of each house of the general assembly, shall each receive as compensation fifty dollars ($50.00) per day, the president of the senate, the president pro tempore of the senate and the speaker of the house of representatives shall each receive as compensation seventy-five dollars ($75.00) per day, the majority and minority floor leaders of each house of the general assembly shall each receive as compensation seventy dollars ($70.00) per day, and the assistant president pro tempore of the senate, the speaker pro tempore and the majority and minority caucus chairmen and whips of each house of the general assembly shall each receive as compensation sixty-five dollars ($65.00) per day, during the organizational session of the general assembly for each day on which the general assembly convenes. Beginning as of January 1, 1985, the members of the general assembly, other than the speaker of the house of representatives, the president pro tempore of the senate and the majority and minority leadership of each house of the general assembly, shall each receive as compensation one hundred dollars ($100) per day, the president of the senate, the president pro tempore of the senate and the speaker of the house of representatives shall each receive as compensation one hundred twenty-five dollars ($125) per day, the majority and minority floor leaders of each house of the general assembly shall each receive as compensation one hundred twenty dollars ($120) per day, and the assistant president pro tempore of the senate, the speaker pro tempore and the majority and minority caucus chairmen and whips of each house of the general assembly shall each receive as compensation one hundred fifteen dollars ($115) per day, during the organizational session of the general assembly for each day on which the general assembly convenes. Effective January 1, 1983, each member of the general assembly and the president of the senate shall receive mileage and reimbursement of road tolls for one (1) round trip for each week of the organizational session during which the general assembly convenes for at least one (1) day, between his home and the state capitol and the necessary travel in going to and returning from the sessions of their respective houses. No member of the general assembly shall receive such travel expenses for more than ten (10) round trips during an organizational session. The mileage allowance under this section shall be equal to the maximum mileage allowance permitted by the federal government, to be increased as the mileage allowance is increased by the federal government.

SECTION 3. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Effective January 1, 1983, in addition to any and all sums, compensation, or expenses authorized by law, the members of the general assembly, and the president of the senate, shall each receive an expense allowance of seventy-five dollars ($75.00) for each day on which the general assembly convenes during an organizational session. In addition, members of the general assembly and the president of the senate shall be reimbursed for all necessary expenses incurred in preparation for an organizational session.

SECTION 4. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Each member of the general assembly shall receive the monthly allowance authorized by KRS 6.213 during an organizational session, which shall be prorated so that they receive such allowance only for that portion of the month during which the general assembly did not convene in organizational session. Such expense allowances shall be paid by the state treasury out of the general fund of the Commonwealth upon warrant of the department of finance, issued on the certification of the director of the legislative research commission.

SECTION 5. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

In lieu of stationery, there shall be allowed to each member of the general assembly, including the lieutenant governor, the sum of fifty dollars ($50). This allowance shall be paid out of the state treasury at the beginning of each organizational session.

SECTION 6. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

All laws in KRS Chapter 6 pertaining to lobbyists during a regular or extraordinary session of the general assembly shall be applicable during an organizational session.

SECTION 7. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall prepare and publish or contract for preparation and publishing of a daily index and digest of activity in the general assembly.

SECTION 8. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall conduct an orientation conference for members of the general assembly in preparation for the organizational session.

SECTION 9. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 6.245, a member of the general assembly may during an organizational session, prefile a bill or resolution for introduction in the next succeeding regular legislative session with the director of the legislative research commission.

SECTION 10. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

KRS Chapter 6 shall apply to organizational sessions, except as provided in this Act, in the same manner and to the same extent for organizational sessions of the general assembly as for regular sessions of the general assembly.

SECTION 11. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall maintain separate bill request files as follows:

(1) A regular session bill request file in which all requests for legislation to be enacted at a regular session are filed in serial order;

(2) A special session bill request file which shall be maintained from the time the governor issues an executive order calling a special session of the general assembly until the end of the special session in which all requests for legislation to be enacted at a special session are filed in serial order;

(3) An organizational session bill request file in which all requests for resolutions to be enacted at an organizational session are filed in serial order;

(4) Bill requests filed for a particular type of session of the general assembly shall not be introduced in a session of a type other than that for which they are filed. This section shall not be construed as prohibiting the filing of multiple requests by the same or other sponsors for one (1) or more types of sessions of the general assembly.

(5) Each bill request shall indicate on its face the type of session and the year of session of the general assembly for which it is being filed.

SECTION 12. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Any action ordered taken or taken by the legislative program review and investigation committee pursuant to KRS 6.905 may be rescinded, amended, or otherwise modified by action at an organizational session of the general assembly. An organizational session of the general assembly shall have the same power to order studies or investigations and take all actions with regard to KRS 6.905 to 6.935 as a regular session of the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The general assembly may, during any organizational session thereof, undertake a review of and approve or disapprove any administrative regulation laid before it pursuant to KRS Chapter 13 in the same manner as it could during a regular session of the general assembly.

SECTION 14. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

In preparation for and during an organizational session of the general assembly the assignment of bill requests and bills to committees or interim committees shall be as follows:

(1) Bills which have been prefiled for a regular session of the general assembly shall be assigned to interim committees by the legislative research commission.

(2) Bills which have been prefiled for a special session of the general assembly shall be assigned to interim committees by the legislative research commission.

(3) Bills which have been prefiled for an organizational session of the general assembly shall be assigned to interim committees by the legislative research commission.

(4) Bills which are prefiled during the period of an organizational session for a regular or special session of the general assembly shall be assigned to interim committees by the committee on committees of each respective house.

(5) Bills which are filed during the period of an organizational session of the general assembly for action by the organizational session shall be assigned to committees by the committee on committees of the respective houses.

SECTION 15. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The general assembly, during an organizational session, shall possess the same rulemaking powers as it possesses during a regular session thereof.

SB 138, AN ACT relating to primary election date.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 83A.170 is amended to read as follows:

(1) In any city which has under the provisions of KRS 83A.050 required nonpartisan city elections, or in any city of the second class operating under the city manager form of government pursuant to KRS 83A.150, no person shall be elected to city office except as provided in this section.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary election to be held at the time prescribed by law for primary elections generally. Nonpartisan primary elections shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, at least fifty-five (55) days before the primary election, file with the county clerk a petition signed by at least one percent (1%) of the registered voters in the city or twenty (20) voters, whichever is less, in the following form:

"We the undersigned, qualified voters of the City of ______________ request that the name of ______________ be placed on the city ballot as that of an applicant for nomination for the office of ______________ at the primary election to be held in our city on the *fourth* [~~first~~] Tuesday [~~after the fourth Monday~~] in *August* [~~May~~], ________. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street

"

The petition shall be verified by the affidavit of some person as to the genuineness of signatures and addresses of the signers. No voter shall sign more than one (1) petition with reference to each applicant. If any voter signs more than one (1) petition of an applicant, the name of that voter shall not be counted as valid on any petition.

(4) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear upon the primary ballot.

(5) Subsection (4) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled. In that case, the applicants for nomination shall thereby be nominated and no primary election shall be held for that office.

(6) Names of applicants for each nomination shall be placed on the city ballot. Above names of applicants for nomination for all city offices shall be printed the words "vote for one", except above names of applicants for nominations for legislative body member in cities nominating legislative body members at-large shall be printed the words "vote for __________ (the number of legislative body members to be elected)." No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(7) Persons qualified to vote at a regular election are qualified to vote at a nonpartisan primary election and the law applicable to challenges made at a regular election is applicable to challenges made at a nonpartisan primary election.

(8) Votes shall be counted as provided in general election laws and the result shall be published as provided in KRS Chapter 424.

(9) The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated.

(10) At the regular election following a nonpartisan primary election, the names of the successful nominees shall be placed upon the ballot.

(11) The nominee receiving the greater number of votes cast for each city office shall be elected.

(12) General election law prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

Section 2. KRS 118.025 is amended to read as follows:

(1) Except as otherwise provided by law voting in all elections shall be by secret ballot on voting machines.

(2) The general laws applying to regular, special and primary elections shall apply to elections conducted with the use of voting machines, and all provisions of such laws with respect to the custody of ballot boxes shall apply, as far as applicable, to the custody of the voting machine.

(3) All primary elections for the nomination of candidates to be voted for at the next regular election shall be held on the *fourth* [~~first~~] Tuesday [~~after the fourth Monday~~] in *August* [~~May~~] of each year.

(4) The election of all officers of all governmental units shall be held on the first Tuesday after the first Monday in November.

Section 3. The following KRS sections are repealed:
118.550 Definitions.
118.560 Presidential preference primary elections.
118.570 Voter qualification.
118.580 Nomination of candidates by state board of elections.
118.590 Nomination of candidate by petition.
118.600 Notification of nominees by secretary of state.
118.610 Candidates required to make deposit with secretary of state — Refund — Escheat to commonwealth.
118.620 Secretary of state to place candidates' names on ballots — Provision for casting "uncommitted" vote.
118.630 Certification of results of preference primary.
118.640 Distribution of authorized delegate vote among party candidates.
118.650 Notice to political party's national committee.
Section 4. This Act shall become effective on January 1, 1984.

Committee Substitute to **SB 138** is as follows:

SB 138, AN ACT relating to primary election date.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 83A.170 is amended to read as follows:

(1) In any city which has under the provisions of KRS 83A.050 required nonpartisan city elections, or in any city of the second class operating under the city manager form of government pursuant to KRS 83A.150, no person shall be elected to city office except as provided in this section.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary election to be held at the time prescribed by law for primary elections generally. Nonpartisan primary elections shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, at least fifty-five (55) days before the primary election, file with the county clerk a petition signed by at least one percent (1%) of the registered voters in the city or twenty (20) voters, whichever is less, in the following form:

"We the undersigned, qualified voters of the City of ______________ request that the name of ______________ be placed on the city ballot as that of an applicant for nomination for the office of ______________ at the primary election to be held in our city on the *fourth* [~~first~~] Tuesday [~~after the fourth Monday~~] in *August* [~~May~~], ________. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
______________	______________	______________
______________	______________	______________"
______________	______________	______________

The petition shall be verified by the affidavit of some person as to the genuineness of signatures and addresses of the signers. No voter shall sign more than one (1) petition with reference to each applicant. If any voter signs more than one (1) petition of an applicant, the name of that voter shall not be counted as valid on any petition.

(4) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear upon the primary ballot.

(5) Subsection (4) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled. In that case, the applicants for nomination shall thereby be nominated and no primary election shall be held for that office.

(6) Names of applicants for each nomination shall be placed on the city ballot. Above names of applicants for nomination for all city offices shall be printed the words "vote for one", except above names of applicants for nominations for legislative body member in cities nominating legislative body members at-large shall be printed the words "vote for __________ (the number of legislative body members to be elected)." No party designation or emblem of any kind, nor any sign indicating any applicant's political belief or party affiliation shall be used.

(7) Persons qualified to vote at a regular election are qualified to vote at a nonpartisan primary election and the law applicable to challenges made at a regular election is applicable to challenges made at a nonpartisan primary election.

(8) Votes shall be counted as provided in general election laws and the result shall be published as provided in KRS Chapter 424.

(9) The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated.

(10) At the regular election following a nonpartisan primary election, the names of the successful nominees shall be placed upon the ballot.

(11) The nominee receiving the greater number of votes cast for each city office shall be elected.

(12) General election law prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

Section 2. KRS 118.025 is amended to read as follows:

(1) Except as otherwise provided by law voting in all elections shall be by secret ballot on voting machines.

(2) The general laws applying to regular, special and primary elections shall apply to elections conducted with the use of voting machines, and all provisions of such laws with respect to the custody of ballot boxes shall apply, as far as applicable, to the custody of the voting machine.

(3) All primary elections for the nomination of candidates to be voted for at the next regular election shall be held on the *fourth* [~~first~~] Tuesday [~~after the fourth Monday~~] in *August* [~~May~~] of each year.

(4) The election of all officers of all governmental units shall be held on the first Tuesday after the first Monday in November.

Section 3. The following KRS sections are repealed:

118.550 Definitions.
118.560 Presidential preference primary elections.
118.570 Voter qualification.
118.580 Nomination of candidates by state board of elections.
118.590 Nomination of candidate by petition.
118.600 Notification of nominees by secretary of state.
118.610 Candidates required to make deposit with secretary of state — Refund — Escheat to commonwealth.
118.620 Secretary of state to place candidates' names on ballots — Provision for casting "uncommitted" vote.
118.630 Certification of results of preference primary.
118.640 Distribution of authorized delegate vote among party candidates.
118.650 Notice to political party's national committee.

Section 4. This Act shall become effective on January 1, 1983.

SJR 45, A JOINT RESOLUTION directing the Legislative Research Commission to conduct a study of the feasibility of constructing a legislative office building.

WHEREAS, the workload of the Kentucky General Assembly has been and is constantly increasing; and

WHEREAS, the citizens of the Commonwealth are becoming more aware of the efforts of the General Assembly to resolve many complex issues, as witnessed by ever increasing numbers of citizens attending committee meetings and observing the workings of the General Assembly; and

WHEREAS, all future interims beginning with January, 1983, are fully anticipated to be of far greater intensity than previous interims; and

WHEREAS, the present facilities afforded the General Assembly and its staff, while a marked improvement over past sessions, are not even now adequate for the efficient operations of the General Assembly; and

WHEREAS, to requisition additional space in the Capitol Annex would only displace other state agencies; and

WHEREAS, the construction of said Annex is not deemed appropriate for remodeling to accommodate legislative needs; and

WHEREAS, the General Assembly and its staff are spread over six different floors in three separate locations;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Legislative Research Commission is hereby directed to conduct a study of the feasibility of constructing a legislative office building.

Section 2. The study shall include, but not necessarily be limited to, an appropriate site, with first consideration given to the parking lot at the east end of the Capitol Annex building; the amount of office space needed; a suitable design; and the cost of construction.

Section 3. The study shall be completed and made available to the members of the General Assembly and to the Governor not later than January, 1983.

Section 4. Staff services to be utilized in completing this study are estimated to cost $8,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

SB 103, AN ACT relating to state retirement systems and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 21.375 is amended to read as follows:

[~~If at the time~~] A person *who does not have the amount of service required for service retirement in the judicial retirement plan but who is a member of that plan, or is a former member who has service credit therein in accordance with subsection (2) or (3) of KRS 21.460, shall become vested in the judicial retirement plan for benefits attributable to the amount of his actual service credit therein if such service credit, when combined with service credit which he has in, or for which he is receiving benefits from, the legislators' retirement plan, the Kentucky employes' retirement system, county employes' retirement system, state police retirement system, or teachers' retirement system, is equal to the amount of service required for service retirement* [~~becomes a member of the judicial retirement system he has service credit in the Kentucky employes retirement system, county employes retirement system, state police retirement system, or teachers retirement system, the period of service for which he earned that credit shall be counted toward the eight (8) years of service required for vesting in the judicial retirement system, but shall not be counted as service for the purpose of computation of benefits~~].

Section 2. KRS 21.460 is amended to read as follows:

(1) If any member of the *plan* [~~system~~] ceases, other than by death or by disability retirement under KRS 21.410, to hold an office qualifying him for membership in the *plan* [~~system~~] established by KRS 21.350 to 21.480, without having *met the requirements for vesting* [~~completed eight (8) years of service~~], he shall be refunded on demand the amount of his accumulated contributions *and any service credit he had in the plan shall be nullified.*

(2) The member may elect to leave his contributions in the plan, in which event the service credit he had in the plan shall be considered to be service credit for vesting purposes as provided in KRS 21.375 and for service retirement eligibility as provided in KRS 61.680(7), and, in the event he again becomes a member of the judicial retirement plan, shall be counted toward his total service credit in that plan.

(3) If a person who has been refunded his contributions in accordance with subsection (1) of this section subsequently becomes a member of the legislators' retirement plan, the Kentucky employes' retirement system, county employes' retirement system, state police retirement system, or teachers' retirement system, he may while holding such membership repurchase the service credit he previously had in the judicial retirement plan by repaying to that plan the amount that was refunded to him with interest at six percent (6%) per annum, in which event such service credit shall have operative effect to the same limited extent as provided in subsection (2) of this section [~~including, in the case of a circuit judge, contributions made by him under the former KRS 23.350 before he became a member of the system established by KRS 21.350 to 21.510~~].

(4) If *a person who has been refunded his contribution in accordance with subsection (1) of this section* thereafter [~~he~~] becomes again the holder of an office qualifying him for membership in the *judicial retirement plan* [~~system~~], he shall not be entitled to credit for his prior period of service unless *he has previously repaid his refunded contributions in accordance with subsection (3) of this section or unless* at the time of his election to again participate in the *plan* [~~system~~] he repays to the *plan* [~~system~~] the amount that was refunded to him *with interest at six percent (6%) per annum.*

Section 3. KRS 61.680 is amended to read as follows:

(1) Every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof.

(2) (a) Notwithstanding any other provisions of KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78,852 and 161.220 to 161.714, upon death, disability, or service retirement a member's accounts

under the state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who *becomes the holder of an office entitling him to* [~~enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for~~] membership in the judicial retirement *plan or the legislators' retirement plan, but who does not elect within thirty (30) days after taking office in such service to participate in such plan, in accordance with KRS 6.505 or 21.360, shall be deemed to have elected* [~~system may elect~~] to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. *In that event* [~~When such an election is made~~], the agency employing the member shall withhold employe contributions, make employer contributions and remit these contributions to the system in which the member retained his membership. *Any person entitled to membership in the judicial retirement plan or the legislators' retirement plan, who does not elect within thirty (30) days after taking office to participate in such plan, in accordance with KRS 6.505 or 21.360, and who at the time of taking office is not a contributing member of, or does not have service credit in, any of the retirement systems mentioned in this section, or the teachers' retirement system, shall participate in the Kentucky employes' retirement system.*

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system *and who does not elect within thirty (30) days after taking office to participate in the legislators' retirement plan, in accordance with KRS 6.505, shall* [~~may elect to retain membership in the teachers' retirement system~~] during his term of office [~~rather than~~] participate in the Kentucky employes retirement system *unless an* [~~. Such~~] election to retain membership in the teachers' retirement system *is* [~~must be~~] filed in writing within ninety (90) days after his term of office begins [~~or he will participate in the Kentucky employes retirement system during his term of office~~]. No contributions may be made to the teachers' retirement system for the same period of service under the *legislators' retirement plan or the* Kentucky employes retirement system as a member of the general assembly.

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one (1) of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) Any member of the Kentucky employes retirement system or county employes retirement system who is working in more than one position covered by one of these retirement systems, will have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, then an accumulation of all hours worked will be used to determine eligibility under KRS 61.510(21).

(7) Notwithstanding the provisions of subsection (3) of this section [~~and KRS 21.375~~], a person *who does not have the amount of service required for service retirement* [~~entering membership of the judicial~~

~~retirement system with service credit~~] in the state police retirement system, Kentucky employes retirement system, county employes retirement system or teachers' retirement system, *but who is a member of one of such systems or is a former member of one or more of such systems with valid service credit therein,* will become *eligible* [~~vested~~] for *service retirement* [~~early and normal retirement~~] benefits *attributable to the amount of his actual service credit* in each *such* system in which he has service credit when his combined service credit in all *such* systems, *plus any service credit he has in the judicial retirement plan or legislators' retirement plan,* is equal to that required for *service retirement* [~~vesting~~] in each respective system. *The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system.*

Section 4. KRS 6.505 is amended to read as follows:

(1) Each legislator in office on July 1, 1980 may within thirty (30) days after that date, and any legislator thereafter taking office may within thirty (30) days after the date thereof, elect to make monthly contributions to the legislators retirement plan, in an amount equal to five (5) percent of his monthly creditable compensation, as defined in KRS 61.510(13). The election shall be effective to establish membership in the plan as of July 1, 1980 or as of the date from which the thirty (30)-day period is measured, as the case may be. Provided, however, that any legislator *who was* in office on July 1, 1980 *and who is in office at the time he makes the election* may, after the expiration of the thirty (30) day period and until *May 1, 1982* [~~February 1, 1981~~], make the election, in which event he shall pay to the legislators retirement plan, for the months between July 1, 1980 and the date of his election such sum as, when added to any member's contribution by him that is transferred from another retirement system under KRS 6.535, will equal the member's contribution required by this section. *If the member makes his election after February 1, 1981, he shall in addition pay to the plan interest on the foregoing sum, at six percent (6%) per annum, calculated as if the sum consisted of equal monthly payments, one of which was due at the end of each month between July 1, 1980 and the date the election was made.* The election shall be addressed to and filed with the secretary of the department of finance and shall constitute an authorization to the secretary to thereafter cause to be deducted from the member's monthly creditable compensation an amount equal to five (5) percent thereof, as a voluntarily elected contribution by the member towards the funding of the legislators retirement plan. Such election shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under KRS 6.515 to 6.530. *An election once made under this section either to participate or not to participate in the legislators retirement plan, shall be considered to apply to all future service as a legislator, whether in the same or a different office as a legislator, and whether or not it is in successive terms.*

(2) When any legislator elects membership in the legislators retirement plan in accordance with this section, his active membership in the Kentucky employes retirement system, *state police retirement system,* county employes retirement system, or teachers retirement system shall terminate, as of the date his membership in the legislators' retirement plan becomes effective, [~~to the extent that service as a legislator is concerned,~~] and any credit [~~that he then has~~] in such other system or systems, earned for service as a legislator, *which he then has or which he subsequently regains while being an active member of the legislators' retirement plan,* shall be transferred to and counted as service credit in the legislators retirement plan, and shall no longer constitute credit in such other retirement system except for the purpose of validating any other credit in that system. However, any credit he then has in such other retirement system, earned for service in any capacity other than a legislator, shall not be affected. *No person may attain credit in more than one (1) of the retirement plans or systems mentioned in this section, for the same period of service.*

(3) A member of the legislators' retirement plan who would be entitled, under KRS 61.552, to repurchase credit in the Kentucky employes retirement system, for previous service as a legislator, which credit had been lost by refund of contributions, may pay the amount required by KRS 61.552 directly to the legislators' retirement plan and thereby obtain credit in that plan for such service, rather than making payment to the Kentucky employes retirement system for credit which would be transferred to the legislators' retirement plan. In such event, the Kentucky employes retirement system shall transfer to the legislators retirement plan an amount equal to the employer's contributions that originally were made to the Kentucky employes retirement system for the regained service credit, with interest as provided in KRS 6.535. Six (6) months' current service shall be required in the legislators' retirement plan in order for the repurchased credit to remain in force, the same as provided in KRS 61.552.

Section 5. KRS 6.525 is amended to read as follows:

The legislators retirement plan shall be governed by provisions identical in terms with those provided in KRS 21.345(1) and (3), 21.370, 21.375, 21.380, 21.410, 21.420, 21.425, 21.460, 21.470, 21.480, [~~and~~] 21.525 *and 61.552* for the judicial retirement plan, except that five (5) years of service as a legislator will be sufficient for vesting. *For the purposes of this section, any reference in the KRS sections listed above, to the judicial retirement plan shall also be read as a reference to the legislators' retirement plan, and any reference to the legislators' retirement plan shall also be read as a reference to the judicial retirement plan.*

Section 6. KRS 161.607 is amended to read as follows:

(1) Any member of the teachers' retirement system who enters employment covered by the Kentucky employes retirement system, the state police retirement system, or the county employes retirement system, prior to July 1, 1976, may retain membership in the teachers' retirement system instead of joining the new system.

(2) *Retention of membership in the teachers' retirement system by* any member of the general assembly who upon election is a contributing member of the teachers' retirement system *shall be effected by conforming with KRS 61.680(4)(c)* [~~may elect to retain membership in that system during the term of office, instead of participating in the Kentucky employes retirement system~~]. Members of the general assembly who [~~elect to~~] retain membership shall make retirement contributions based upon their annual compensation as defined under KRS Chapter 161.220 or on their creditable compensation as defined under KRS Chapter 61.510, whichever is the larger amount. Service as a member of the general assembly may be used to meet the service requirements of KRS 61.680(2)(a) and 161.510 regardless of the system to which contributions are made by the member.

(3) Any member of the teachers' retirement system entering employment as described in subsection (1) [~~or (2)~~] above must exercise the option within ninety (90) days of the beginning of such employment. [~~Current members of the general assembly must exercise the option within ninety (90) days after July 1, 1980.~~]

(4) Persons who enter service covered by the teachers' retirement system prior to July 1, 1976, and who hold membership in a Kentucky retirement system financed in whole or part with public funds may retain membership in that system providing the statutes and regulations governing said system make continued membership possible.

(5) Any person who has elected an option provided in the above subsections may cancel such election and gain membership in the system which normally covers the position in which currently employed, provided that such cancellation of option election must be completed prior to January 1, 1977.

Section 7. KRS 6.535 is amended to read as follows:

When a legislator[~~, at the time he obtains membership in the legislators retirement plan,~~] has service credit in the Kentucky employes retirement system, county employes retirement system, *state police retirement system,* or teachers retirement system, earned for service as a legislator, which credit by virtue of KRS 6.505 will become credit in the legislators retirement *plan* [~~system~~], such other system shall transfer to the legislators retirement fund an amount equal to the employe's and employer's contributions attributable to that credit, together with interest on each such contribution, from the date it was made to the date of transfer, at the statutory rate, if any, applicable to such contributions, or if none, at the *rates* [~~rate~~] of interest assumed by such other system for actuarial purposes [~~at the time the contribution was made~~].

Section 8. KRS 6.520 is amended to read as follows:

(1) A member of the legislators retirement plan who retires on or after his normal retirement date but not before December 30, 1981, shall receive a service retirement allowance, payable monthly during his lifetime, in an amount per month equal to three and fifty one-hundredths percent (3.50%) of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 61.510(13) of the member for services as a legislator for the sixty (60) months of service immediately preceding retirement.

(2) A member shall have rights, with respect to retirement before reaching normal retirement date, but not before December 30, 1981, in the legislators retirement plan, identical in terms with those rights provided in KRS 21.400[~~(1) and~~] (2) *and (3)* in the judicial retirement plan for members of that plan.

(3) Survivor benefits shall not be subject to the December 30, 1981 deferment date as specified in subsection (1) of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

An election once made under KRS 21.360, either to participate or not to participate in the judicial retirement plan, shall be considered to apply, to all future service in any office covered by the plan, whether such service is in the same or a different office, and whether or not it is continuous.

Section 10. KRS 21.425 is amended to read as follows:

(1) In any circumstances in which a surviving spouse would be entitled to any allowance under KRS 21.420, but there is no surviving spouse or the surviving spouse subsequently dies, and there is a surviving child or children of the members under the age of 18, the monthly allowance that the surviving spouse would have received or was receiving shall be continued for the benefit of such child or children remaining under the age of 18 until there are none under the age of 18.

(2) A member may designate his child or children under the age of eighteen (18) to receive the death benefit payable under KRS 21.420 instead of his spouse, or he may designate that his spouse shall receive a percentage of the death benefit, and his child or children under the age of eighteen (18) shall receive the

remainder. The member making such a choice shall designate his beneficiary or beneficiaries in writing to the manager of the judicial form retirement system on a form provided by the manager.

Section 11. KRS 61.510 is amended to read as follows:

As used in KRS 61.515 to 61.692, unless the context otherwise requires:

(1) "System" means the Kentucky employes retirement system created by KRS 61.515 to 61.692;

(2) "Board" means the board of trustees of the system as provided in KRS 61.645;

(3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.515 to 61.692, the members, officers and employes of the general assembly and any other body, entity or instrumentality designated by executive order by the governor, shall be deemed to be a department notwithstanding whether said body, entity or instrumentality is an integral part of state government;

(4) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(5) "Employe" means the members, officers and employes of the general assembly and every regular full-time appointed or elective officer or employe of a participating department, including the department of military affairs. The term shall not, however, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 61.515 to 61.692;

(6) "Employer" means a department or any authority of such department having the power to appoint or select an employe in such department, including the senate and the house of representatives;

(7) "State" means the Commonwealth of Kentucky;

(8) "Member" means any employe who is included in the membership of the system or any former employe whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employe, on and after July 1, 1956, (except that for members, officers and employes of the general assembly this date shall be January 1, 1960) for which creditable compensation is paid and employe contributions deducted except as otherwise provided in KRS 61.552(7) and KRS 61.555, and each member, officer and employe of the general assembly shall be credited with a month of current service for each month he occupies such position during a legislative biennium subsequent to January 1, 1960;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which creditable compensation was paid; except that, for members, officers and employes of the general assembly this date shall be January 1, 1960. An employe shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer and employe of the general assembly shall be credited with a month of prior service for each month he occupied such position during a legislative biennium prior to January 1, 1960;

(12) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employe as a result of services performed for the employer, except that for members of the general assembly it shall mean an assumed salary of *$27,500* [~~$18,000~~] per annum which shall include per diem and expense payments authorized by KRS Chapter 6. The creditable compensation of members, officers and employes of the general assembly shall be calculated as having been received in equal amounts for each month of the biennium. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12), *except that for members of the general assembly who retire pursuant to KRS 21.410, or who die in office, "final compensation" shall be $27,500*. Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employe were calculated during the twelve (12) month period immediately preceding the member's effective retirement date except for members of the general assembly the "final rate of pay" shall be the creditable compensation. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate; 1,950 hours, 260 days, 52 weeks, 12 months, one year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in cases of disability retirement the

options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth birthday of a member unless otherwise provided in KRS 61.515 to 61.692;

(19) "Fiscal year" of the system means the twelve (12) months from July 1, through the following June 30;

(20) "Officers and employes of the general assembly" means the occupants of those positions enumerated in KRS 6.150 and the assistants if employed by the general assembly for at least six (6) legislative bienniums;

(21) "Regular full-time positions" as used in subsection (5) of this section shall mean all positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time, all positions of local health departments meeting the definitions as set forth in KRS chapter 18 of provisional full-time, probationary full-time and permanent full-time and all other positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are nonrenewable;

(c) Temporary positions which are positions of employment with a participating department for a period of time not to exceed six (6) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty;

(22) "Delayed contribution payment" means an amount paid by an employe for current service obtained under KRS 61.552. Such amount shall be determined using the same formula adopted by the board for purchase of service under KRS 61.552(7) except the employe shall pay a single payment of 50% of the total cost of such service with no cost to the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434; and

(23) "Parted employer" means a department, portion of a department, board or agency (such as Outwood Hospital and School) which previously participated in the system, but due to lease, or other contractual arrangement is now operated by a publicly held corporation or other similar organization, and therefore, no longer participating in the system.

Section 12. Whereas, the proper and efficient administration of the several state administered retirement systems is being impaired by lack of appropriate statutory provisions with respect to participation, service credit and vesting, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Section 13. Section 10 of this Act shall take effect retroactively to January 1, 1982.

Committee Substitute to **SB 103** is as follows:

SB 103, AN ACT relating to state retirement systems and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 21.375 is amended to read as follows:

[~~If at the time~~] A person *who does not have the amount of service required for service retirement in the judicial retirement plan but who is a member of that plan, or is a former member who has service credit therein in accordance with subsection (2) or (3) of KRS 21.460, shall become vested in the judicial retirement plan for benefits attributable to the amount of his actual service credit therein if such service credit, when combined with service credit which he has in, or for which he is receiving benefits from, the legislators' retirement plan, the Kentucky employes' retirement system, county employes' retirement system, state police retirement system, or teachers' retirement system, is equal to the amount of service required for service retirement* [~~becomes a member of the judicial retirement system he has service credit in the Kentucky employes retirement system, county employes retirement system, state police retirement system, or teachers retirement system, the period of service for which he earned that credit shall be counted toward the eight (8) years of service required for vesting in the judicial retirement system, but shall not be counted as service for the purpose of computation of benefits~~].

Section 2. KRS 21.460 is amended to read as follows:

(1) If any member of the *plan* [~~system~~] ceases, other than by death or by disability retirement under KRS 21.410, to hold an office qualifying him for membership in the *plan* [~~system~~] established by KRS 21.350 to 21.480, without having *met the requirements for vesting* [~~completed eight (8) years of service~~], he shall be refunded on demand the amount of his accumulated contributions *and any service credit he had in the plan shall be nullified.*

(2) The member may elect to leave his contributions in the plan, in which event the service credit he had in the plan shall be considered to be service credit for vesting purposes as provided in KRS 21.375 and for service retirement eligibility as provided in KRS 61.680(7), and, in the event he again becomes a member of the judicial retirement plan, shall be counted toward his total service credit in that plan.

(3) If a person who has been refunded his contributions in accordance with subsection (1) of this section subsequently becomes a member of the legislators' retirement plan, the Kentucky employes' retirement system, county employes' retirement system, state police retirement system, or teachers' retirement system, he may while holding such membership repurchase the service credit he previously had in the judicial retirement plan by repaying to that plan the amount that was refunded to him with interest at six percent (6%) per annum, in which event such service credit shall have operative effect to the same limited extent as provided in subsection (2) of this section [~~including, in the case of a circuit judge, contributions made by him under the former KRS 23.350 before he became a member of the system established by KRS 21.350 to 21.510~~].

(4) If *a person who has been refunded his contribution in accordance with subsection (1) of this section* thereafter [~~he~~] becomes again the holder of an office qualifying him for membership in the *judicial retirement plan* [~~system~~], he shall not be entitled to credit for his prior period of service unless *he has previously repaid his refunded contributions in accordance with subsection (3) of this section or unless* at the time of his election to again participate in the *plan* [~~system~~] he repays to the *plan* [~~system~~] the amount that was refunded to him *with interest at six percent (6%) per annum.*

Section 3. KRS 61.680 is amended to read as follows:

(1) Every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof.

(2) (a) Notwithstanding any other provisions of KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and 161.220 to 161.714, upon death, disability, or service retirement a member's accounts under the state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who *becomes the holder of an office entitling him to* [~~enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for~~] membership in the judicial retirement *plan or the legislators' retirement plan, but who does not elect within thirty (30) days after taking office in such service to participate in such plan, in accordance with KRS 6.505 or 21.360, shall be deemed to have elected* [~~system may elect~~] to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. *In that event* [~~When such an election is made~~], the agency employing the member shall withhold employe contributions, make employer contributions and remit these contributions to the system in which the member retained his membership. *Any person entitled to membership in the judicial retirement plan or the legislators' retirement plan, who does not elect within thirty (30) days after taking office to participate in such plan, in accordance with KRS 6.505 or 21.360, and who at the time of taking office is not a contributing member of, or does not have service credit in, any of the retirement systems mentioned in this section, or the teachers' retirement system, shall participate in the Kentucky employes' retirement system.*

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system *and who does not elect within thirty (30) days after taking office to participate in the legislators' retirement plan, in accordance with KRS 6.505, shall* [~~may elect to retain membership in the teachers' retirement system~~] during his term of office [~~rather than~~] participate in the Kentucky employes retirement system *unless an* [~~. Such~~] election to retain membership in the teachers' retirement system *is* [~~must be~~] filed in writing within ninety (90) days after his term of office begins [~~or he will participate in the Kentucky employes retirement system during his term of office~~]. No contributions may be made to the teachers' retirement system for the same period of service under the *legislators' retirement plan or the* Kentucky employes retirement system as a member of the general assembly.

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one (1) of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) Any member of the Kentucky employes retirement system or county employes retirement system who is working in more than one position covered by one of these retirement systems, will have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, then an accumulation of all hours worked will be used to determine eligibility under KRS 61.510(21).

(7) Notwithstanding the provisions of subsection (3) of this section [~~and KRS 21.375~~], a person *who does not have the amount of service required for service retirement* [~~entering membership of the judicial retirement system with service credit~~] in the state police retirement system, Kentucky employes retirement system, county employes retirement system or teachers' retirement system, *but who is a member of one of such systems or is a former member of one or more of such systems with valid service credit therein,* will become *eligible* [~~vested~~] for *service retirement* [~~early and normal retirement~~] benefits *attributable to the amount of his actual service credit* in each *such* system in which he has service credit when his combined service credit in all *such* systems, *plus any service credit he has in the judicial retirement plan or legislators' retirement plan,* is equal to that required for *service retirement* [~~vesting~~] in each respective system. *The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system.*

Section 4. KRS 6.505 is amended to read as follows:

(1) Each legislator in office on July 1, 1980 may within thirty (30) days after that date, and any legislator thereafter taking office may within thirty (30) days after the date thereof, elect to make monthly contributions to the legislators retirement plan, in an amount equal to five (5) percent of his monthly creditable compensation, as defined in KRS 61.510(13). The election shall be effective to establish membership in the plan as of July 1, 1980 or as of the date from which the thirty (30)-day period is measured, as the case may be. Provided, however, that any legislator *who was* in office on July 1, 1980 *and who is in office at the time he makes the election* may, after the expiration of the thirty (30) day period and until *May 1, 1982* [~~February 1, 1981~~], make the election, in which event he shall pay to the legislators retirement plan, for the months between July 1, 1980 and the date of his election such sum as, when added to any member's contribution by him that is transferred from another retirement system under KRS 6.535, will equal the member's contribution required by this section. *If the member makes his election after February 1, 1981, he shall in addition pay to the plan interest on the foregoing sum, at six percent (6%) per annum, calculated as if the sum consisted of equal monthly payments, one of which was due at the end of each month between July 1, 1980 and the date the election was made.* The election shall be addressed to and filed with the secretary of the department of finance and shall constitute an authorization to the secretary to thereafter cause to be deducted from the member's monthly creditable compensation an amount equal to five (5) percent thereof, as a voluntarily elected contribution by the member towards the funding of the legislators retirement plan. Such election shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under KRS 6.515 to 6.530. *An election once made under this section either to participate or not to participate in the legislators retirement plan, shall be considered to apply to all future service as a legislator, whether in the same or a different office as a legislator, and whether or not it is in successive terms.*

(2) When any legislator elects membership in the legislators retirement plan in accordance with this section, his active membership in the Kentucky employes retirement system, *state police retirement system,* county employes retirement system, or teachers retirement system shall terminate, as of the date his membership in the legislators' retirement plan becomes effective, [~~to the extent that service as a legislator is concerned,~~] and any credit [~~that he then has~~] in such other system or systems, earned for service as a legislator, *which he then has or which he subsequently regains while being an active member of the legislators' retirement plan,* shall be transferred to and counted as service credit in the legislators retirement plan, and shall no longer constitute credit in such other retirement system except for the purpose of validating any other credit in that system. However, any credit he then has in such other retirement system, earned for service in any capacity other than a legislator, shall not be affected. *No person may attain credit in more than one (1) of the retirement plans or systems mentioned in this section, for the same period of service.*

(3) A member of the legislators' retirement plan who would be entitled, under KRS 61.552, to repurchase credit in the Kentucky employes retirement system, for previous service as a legislator, which credit had been lost by refund of contributions, may pay the amount required by KRS 61.552 directly to the legislators' retirement plan and thereby obtain credit in that plan for such service, rather than making payment to the Kentucky employes retirement system for credit which would be transferred to the legislators' retirement plan. In such event, the Kentucky employes retirement system shall transfer to the legislators retirement plan an amount equal to the employer's contributions that originally were made to the Kentucky employes retirement system for the regained service credit, with interest as provided in KRS 6.535. Six (6) months' current service shall be required in the legislators' retirement plan in order for the repurchased credit to remain in force, the same as provided in KRS 61.552.

Section 5. KRS 6.525 is amended to read as follows:

The legislators retirement plan shall be governed by provisions identical in terms with those provided in KRS 21.345(1) and (3), 21.370, 21.375, 21.380, 21.410, 21.420, 21.425, 21.460, 21.470, 21.480, [~~and~~] 21.525 *and 61.552* for the judicial retirement plan, except that five (5) years of service as a legislator will be sufficient for vesting. *For the purposes of this section, any reference in the KRS sections listed above, to the judicial retirement plan shall also be read as a reference to the legislators' retirement plan, and any reference to the legislators' retirement plan shall also be read as a reference to the judicial retirement plan.*

Section 6. KRS 161.607 is amended to read as follows:

(1) Any member of the teachers' retirement system who enters employment covered by the Kentucky employes retirement system, the state police retirement system, or the county employes retirement system, prior to July 1, 1976, may retain membership in the teachers' retirement system instead of joining the new system.

(2) *Retention of membership in the teachers' retirement system by* any member of the general assembly who upon election is a contributing member of the teachers' retirement system *shall be effected by conforming with KRS 61.680(4)(c)* [~~may elect to retain membership in that system during the term of office, instead of participating in the Kentucky employes retirement system~~]. Members of the general assembly who [~~elect to~~] retain membership shall make retirement contributions based upon their annual compensation as defined under KRS Chapter 161.220 or on their creditable compensation as defined under KRS Chapter 61.510, whichever is the larger amount. Service as a member of the general assembly may be used to meet the service requirements of KRS 61.680(2)(a) and 161.510 regardless of the system to which contributions are made by the member.

(3) Any member of the teachers' retirement system entering employment as described in subsection (1) [~~or (2)~~] above must exercise the option within ninety (90) days of the beginning of such employment. [~~Current members of the general assembly must exercise the option within ninety (90) days after July 1, 1980.~~]

(4) Persons who enter service covered by the teachers' retirement system prior to July 1, 1976, and who hold membership in a Kentucky retirement system financed in whole or part with public funds may retain membership in that system providing the statutes and regulations governing said system make continued membership possible.

(5) Any person who has elected an option provided in the above subsections may cancel such election and gain membership in the system which normally covers the position in which currently employed, provided that such cancellation of option election must be completed prior to January 1, 1977.

Section 7. KRS 6.535 is amended to read as follows:

When a legislator[~~, at the time he obtains membership in the legislators retirement plan,~~] has service credit in the Kentucky employes retirement system, county employes retirement system, *state police retirement system,* or teachers retirement system, earned for service as a legislator, which credit by virtue of KRS 6.505 will become credit in the legislators retirement *plan* [~~system~~], such other system shall transfer to the legislators retirement fund an amount equal to the employe's and employer's contributions attributable to that credit, together with interest on each such contribution, from the date it was made to the date of transfer, at the statutory rate, if any, applicable to such contributions, or if none, at the *rates* [~~rate~~] of interest assumed by such other system for actuarial purposes [~~at the time the contribution was made~~].

Section 8. KRS 6.520 is amended to read as follows:

(1) A member of the legislators retirement plan who retires on or after his normal retirement date but not before December 30, 1981, shall receive a service retirement allowance, payable monthly during his lifetime, in an amount per month equal to three and fifty one-hundredths percent (3.50%) of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 61.510(13) of the member for services as a legislator for the sixty (60) months of service immediately preceding retirement, *except that in the case of a legislator who retires pursuant to KRS 21.410 or who dies in office, "final compensation" shall be two thousand two hundred ninety-one dollars sixty-six cents ($2,291.66)*.

(2) A member shall have rights, with respect to retirement before reaching normal retirement date, but not before December 30, 1981, in the legislators retirement plan, identical in terms with those rights provided in KRS 21.400[~~(1) and~~] (2) *and (3)* in the judicial retirement plan for members of that plan, *except that the reduction in a legislators service retirement allowance for early retirement shall be at the rate of five percent (5%) of the allowance for each year that retirement precedes the normal retirement date.*

(3) Survivor benefits shall not be subject to the December 30, 1981 deferment date as specified in subsection (1) of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

An election once made under KRS 21.360, either to participate or not to participate in the judicial retirement plan, shall be considered to apply, to all future service in any office covered by the plan, whether such service is in the same or a different office, and whether or not it is continuous.

Section 10. KRS 21.425 is amended to read as follows:

(1) In any circumstances in which a surviving spouse would be entitled to any allowance under KRS 21.420, but there is no surviving spouse or the surviving spouse subsequently dies, and there is a surviving child or children of the members under the age of 18, the monthly allowance that the surviving spouse would have received or was receiving shall be continued for the benefit of such child or children remaining under the age of 18 until there are none under the age of 18.

(2) A member may designate his child or children under the age of eighteen (18) to receive the death benefit payable under KRS 21.420 instead of his spouse, or he may designate that his spouse shall receive a percentage of the death benefit, and his child or children under the age of eighteen (18) shall receive the remainder. The member making such a choice shall designate his beneficiary or beneficiaries in writing to the manager of the judicial form retirement system on a form provided by the manager.

Section 11. KRS 61.510 is amended to read as follows:

As used in KRS 61.515 to 61.692, unless the context otherwise requires:

(1) "System" means the Kentucky employes retirement system created by KRS 61.515 to 61.692;

(2) "Board" means the board of trustees of the system as provided in KRS 61.645;

(3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.515 to 61.692, the members, officers and employes of the general assembly and any other body, entity or instrumentality designated by executive order by the governor, shall be deemed to be a department notwithstanding whether said body, entity or instrumentality is an integral part of state government;

(4) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(5) "Employe" means the members, officers and employes of the general assembly and every regular full-time appointed or elective officer or employe of a participating department, including the department of military affairs. The term shall not, however, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 61.515 to 61.692;

(6) "Employer" means a department or any authority of such department having the power to appoint or select an employe in such department, including the senate and the house of representatives;

(7) "State" means the Commonwealth of Kentucky;

(8) "Member" means any employe who is included in the membership of the system or any former employe whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employe, on and after July 1, 1956, (except that for members, officers and employes of the general assembly this date shall be January 1, 1960) for which creditable compensation is paid and employe contributions deducted except as otherwise provided in KRS 61.552(7) and KRS 61.555, and each member, officer and employe of the general assembly shall be credited with a month of current service for each month he occupies such position during a legislative biennium subsequent to January 1, 1960;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which creditable compensation was paid; except that, for members, officers and employes of the general assembly this date shall be January 1, 1960. An employe shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer and employe of the general assembly shall be credited with a month of prior service for each month he occupied such position during a legislative biennium prior to January 1, 1960;

(12) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employe as a result of services performed for the employer, except that for members of the general assembly it shall mean an assumed salary of *$27,500* [~~$18,000~~] per annum which shall include per diem and expense payments authorized by KRS Chapter 6. The creditable compensation of members, officers and employes of the general assembly shall be calculated as having been received in equal amounts for each month of the biennium. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12), *except that for members of the general assembly who retire pursuant to KRS 61.600, or who die in office, "final compensation" shall be $27,500.* Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employe were calculated during the twelve (12) month period immediately preceding the member's effective retirement date except for members of the general assembly the "final rate of pay" shall be the creditable compensation. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate; 1,950 hours, 260 days, 52 weeks, 12 months, one year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in cases of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth birthday of a member unless otherwise provided in KRS 61.515 to 61.692;

(19) "Fiscal year" of the system means the twelve (12) months from July 1, through the following June 30;

(20) "Officers and employes of the general assembly" means the occupants of those positions enumerated in KRS 6.150 and the assistants if employed by the general assembly for at least six (6) legislative bienniums;

(21) "Regular full-time positions" as used in subsection (5) of this section shall mean all positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time, all positions of local health departments meeting the definitions as set forth in KRS chapter 18 of provisional full-time, probationary full-time and permanent full-time and all other positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are nonrenewable;

(c) Temporary positions which are positions of employment with a participating department for a period of time not to exceed six (6) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty;

(22) "Delayed contribution payment" means an amount paid by an employe for current service obtained under KRS 61.552. Such amount shall be determined using the same formula adopted by the board for purchase of service under KRS 61.552(7) except the employe shall pay a single payment of 50% of the total cost of such service with no cost to the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member.

In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434; and

(23) "Parted employer" means a department, portion of a department, board or agency (such as Outwood Hospital and School) which previously participated in the system, but due to lease, or other contractual arrangement is now operated by a publicly held corporation or other similar organization, and therefore, no longer participating in the system.

SECTION 12. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created and established a state fund to be known as the "legislators retirement plan insurance fund."

(2) The fund is created for the purpose of providing a fund separate from legislators retirement funds, and is to be used to provide fringe benefits to retired recipients of legislators retirement benefits, and to their dependents or beneficiaries named in Section 13 of this Act.

SECTION 13. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) The board of trustees of the judicial form retirement system shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the legislators retirement plan. The board may authorize present and future recipients of a retirement allowance from the legislators retirement plan who are under age 65 to be included in the state employes group for hospital and medical insurance and shall provide benefits for recipients equal to those provided to state employes having the same medicare hospital and medical insurance eligibility status.

(2) Each employer participating in the legislators retirement plan shall contribute to such plan the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of the total employer contribution rate to the legislators retirement plan.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund established by Section 12 of this Act for all recipients of a retirement allowance from the legislators retirement plan, where such recipient had two hundred forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service, but at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from such insurance fund, provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund, provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred twenty (120) months of service but at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund, provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance or by another method. "Months of service" as used in this section shall not include service added to determine disability benefits.

(4) The insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient, or the beneficiary of such recipient, as the fund pays or paid for the member.

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.

Section 14. Whereas, the proper and efficient administration of the several state administered retirement systems is being impaired by lack of appropriate statutory provisions with respect to participation, service credit and vesting, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Section 15. Section 11 of this Act shall take effect retroactively to January 1, 1982.

HR 81, A RESOLUTION requesting the legislative research commission to appoint a subcommittee of the interim joint committee on business organizations and professions to study cable television.

WHEREAS, more than 175 cable television systems are currently operating in Kentucky and the number is increasing each year; and

WHEREAS, cable television is an important communication resource for the citizens of the Commonwealth; and

WHEREAS, cable television has tremendous potential for making a wide range of programming available to the citizens of the Commonwealth, including local programming, which will enhance their awareness of local government and community activities; and

WHEREAS, cable television also has potential as a source of revenue for state and local governments; and

WHEREAS, there is no legislation in the Commonwealth expressing public goals and objectives for cable television; and

WHEREAS, there is a need to study cable television so that a positive direction can be established for its future development and utilization;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the legislative research commission is requested to appoint a subcommittee of the interim joint committee on business organizations and professions to study cable television during the 1982-83 interim. Such study shall include but shall not be limited to franchising of cable television systems and the need for state regulation, community access to cable television systems through local programming and the potential for generating state and local revenues through cable television systems.

Section 2. The report of the subcommittee shall be submitted to the interim joint committee on business organizations and professions no later than July 1, 1983.

Committee Substitute to **HR 81** is as follows:

HR 81, A RESOLUTION requesting the legislative research commission to appoint a subcommittee of the interim joint committee on business organizations and professions to study cable television.

WHEREAS, more than 175 cable television systems are currently operating in Kentucky and the number is increasing each year; and

WHEREAS, cable television is an important communication resource for the citizens of the Commonwealth; and

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WHEREAS, there is no legislation in the Commonwealth expressing public goals and objectives for cable television; and

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NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the legislative research commission is requested to appoint a subcommittee of the interim joint committee on state government to study cable television during the 1982-83 interim. Such study shall include but shall not be limited to franchising of cable television systems and the need for state regulation, community access to cable television systems through local programming and the potential for generating state and local revenues through cable television systems.

Section 2. The report of the subcommittee shall be submitted to the interim joint committee on state government no later than July 1, 1983.

Committee Title Amendment to **HR 81** is as follows:

Amend printed copy of **HR 81,** page 1, Title, by deleting "business organizations and professions" and inserting in lieu thereof "state government".

Representative LeMaster moved that the rules be suspended for the purpose of making a motion. Agreed.

Representative LeMaster moved the posting time be waived on the following: **SB 223, SB 374, SB 127, SB 287, SB 404, HR 76, SB 345, SB 282, SB 149, SB 383, SB 216, SB 140, SB 342, SB 146, SB 218.** Agreed.

Representative LeMaster moved that the rules be suspended to act upon Resolutions. Agreed.

Representative Thomas moved the adoption of the following **HR 99:**

HR 99, A RESOLUTION honoring the Marion County High School Girls' Basketball Team and Coach Beverly Roby.

WHEREAS, the Marion County High School Girls' Basketball Team captured the 5th Region title by defeating a strong Washington County team by a score of 40-28; and

WHEREAS, this victory, which advanced the team to the first round of the state tournament, amounted to an upset, as Marion County had been unable to conquer Washington County in regular season play; and

WHEREAS, the "Lady Knights" completed the season with an enviable 22-8 season record; and

WHEREAS, this fine team and its coach, Beverly Roby, have earned the respect and admiration of opposing players, coaches, and fans throughout the Commonwealth of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body congratulates the Lady Knights and Coach Roby upon winning the 5th Region title.

Section 2. That the Clerk of the House is directed to transmit sufficient copies of this resolution to Coach Roby for distribution to members of the team as well as the coaching staff.

HR 99 was adopted by voice vote.

Representative LeMaster moved the adoption of the following **HR 100:**

HR 100, A RESOLUTION commending the staff of the Legislative Research Commission.

WHEREAS, the staff of the Legislative Research Commission has rendered invaluable assistance to the members of the 1982 General Assembly; and

WHEREAS, the expertise, competence and dedication of said staff have greatly enhanced the ability of the members to keep informed on the broad range of complex issues before them; and

WHEREAS, clerical, secretarial, and administrative support, as well as professional staff have never performed at a higher level of competence and efficiency; and

WHEREAS, because the dedication and willingness to labor is attributable directly to each and every staff member;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of the House of Representatives do hereby express their genuine appreciation to each member of the staff of the Legislative Research Commission for a job well done during the 1982 session of the General Assembly.

Section 2. That when the House adjourns on March 31, 1982, that it does so in honor of each member of the staff of the Legislative Research Commission.

Section 3. That a copy of this Resolution be delivered to each staff member of the Legislative Research Commission.

HR 100 was adopted by voice vote.

Representative O'Brien moved the adoption of the following **HR 101:**

HR 101, A RESOLUTION honoring the Jeffersontown High School basketball team.

WHEREAS, the Jeffersontown High School basketball team, the Chargers, by virtue of a hard-fought 64-54 win over Moore High School on Wednesday, March 17, 1982, became the Seventh Region champions; and

WHEREAS, the Chargers, currently riding on an eleven game winning streak, with a record of 20-9 will face Laurel County in the first round of the Boys State Tournament;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Jeffersontown High School Chargers be honored and commended for their fine season and ensuing bid to play in the Boys State Tournament.

Section 2. That the Clerk be directed to dispatch copies of this resolution to Jeffersontown High School, Coach Butch Bozarth, and the members of the Chargers basketball team.

HR 101 was adopted by voice vote.

Representative T. Jones moved the adoption of the following **HR 102:**

HR 102, A RESOLUTION in observance of the 40th Anniversary of the Bataan Death March.

WHEREAS, April 9, 1982, marks the 40th Anniversary of the Bataan Death March; and

WHEREAS, among the 70,000 American and Filipino troops subjected to the forced march, sixty-six were from Harrodsburg, Kentucky, members of Company D of the 192d Tank Battalion; and

WHEREAS, the story of that forced march will always be remembered as a grim atrocity of that era; and

WHEREAS, the epic of Bataan and Corregidor was a symbol of hope for the Allied world throughout the remainder of the war;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives does take this occasion to mark the 40th Anniversary of that noble sacrifice.

Section 2. The the House of Representatives does make this resolution in commemoration of those twenty-nine servicemen from Company D of the 192d Tank Battalion, Harrodsburg, Kentucky, who died in the barbarous ordeal, and in honor of the thirty-seven who survived.

HR 102 was adopted by voice vote.

Representative Overstreet moved that the vote on **HB 397** be reconsidered and that it be placed in Orders of the Day. Agreed.

Representative Worthington moved that **HB 264** be taken from the Clerk's desk and placed in Orders of the Day for March 24, 1982. Agreed.

Representative Morris moved that the vote on **HB 732** be reconsidered and that it be placed in Orders of the Day for March 24, 1982. Agreed.

Representative Turner moved the adoption of the following Legislative Citations No. 65 and No. 66. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Sue Secrest, outstanding Resident Director of CART (Community Artist in Residence Training) program of Allen County, for your excellent contribution in the implementation and coordination of the cultural climate of your community. A fulfillment of your objectives are quite evident in bringing artists and the community together — building an awareness of the need for cultural development and art appreciation, motivating an audience involvement, forming an Art Council that has been incorporated is a grand accomplishment. You have enhanced art appreciation through the exposure of noted artists appearing in your community, such as Forrest Lorey of Oklahoma and Mitchell Korn of New York. As processing agent for the Council, we commend you highly for your leadership and dedication in making Allen County aware of the enhancement brought about by the promotion of Art as an integral part of the community life. We commend the Chamber of Commerce, the Woman's Club and Dollar General Corporation, sponsors. (Sponsored by Representative Turner)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Julie Singer, Coordinator of the Community Artist in Residence Training Program, CART, of Monroe County for your excellent contribution in promoting the arts in Monroe County through this specialized technique. A fulfillment of your objectives are quite evident in bringing artists and the community together, building an awareness of the need for cultural development and Council. You have enhanced art appreciation through the exposure of a noted artist as Stan Bumgarner, who gave seven performances. We commend you for your excellent leadership and dedication in making Monroe County aware of the enhancement brought about by the promotion of art as an integral part of community life.

The following meetings were announced:

Committee on Rules: On adjournment, Room 316.

Appropriations and Revenue: Special meeting, Wednesday, 10:00 a.m., Room 103.

Education: Regular meeting, Wednesday, Room 109.

Natural Resources and Environment: Special meeting, on adjournment today, Room 104.

Judiciary-Civil: Wednesday, 8:00 a.m.

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 6 to **HB 264,** by Representative Worthington:

Amend printed copy of **HB 264** as follows:

On page 2, line 13, after the word "*possession*" by adding the following language: "*or a permit issued by the department of transportation under the provisions of KRS 189.270*".

Floor Amendment No. 3 to Committee Substitute to **HB 295,** by Representative Dawahare:

Amend printed copy of Committee Substitute to **HB 295,** page 162, after line 10, as follows:

"19. To the extent herein provided that General Fund expenditures at the close of Fiscal Year 1981-82 are less than General Fund appropriations for the same fiscal year, thereis hereby appropriated from the General Fund in Fiscal Year 1982-83 the sum, up to the maximum amount of $5,000,000, to the Kentucky School Building Authority from such General Fund balance."

Floor Amendment No. 4 to Committee Substitute to **HB 295,** by Representative J. Clarke:

Amend printed copy of Committee Substitute for **HB 295,** page 162, after line 10 by adding the following:

19. Nothing in this Act shall be construed to conform or ratify, under KRS 12.025, any executive reorganization order unless such executive order was conformed or ratified by number or by appropriate amendment to the Kentucky Revised Statutes in another Act of the 1982 Regular Session of the General Assembly. If any executive reorganization order issued from sine die adjournment of the 1980 Regular Session to sine die adjournment of the 1982 Regular Session is not confirmed by the 1982 General Assembly, the Secretary of Finance and Administration is empowered and directed, in consultation with agency heads and with notification to the legislative research commission, to transfer the balance of funds for any affected program or function for fiscal year 1982-83 and any related amounts for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to such reorganization action or in which it was placed by action of the 1982 Regular Session of the General Assembly.

Floor Amendment No. 5 to Committee Substitute to **HB 295,** by Representative Schmidt:

Amend printed copy of Committee Substitute to HB 295, page 1, line 1, after the enacting clause, delete all material and insert in lieu thereof the following:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1982, and, including any unappropriated surplus to the General Fund as of June 30, 1982, for the fiscal year beginning July 1, 1982, and ending June 30, 1983, and, including any unappropriated surplus to the General Fund as of June 30, 1983, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the following sums, or so much thereof as maybe necessary, for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 21, 42, and 45 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I listed as follows:

A. GOVERNMENT OPERATIONS

1. GOVERNOR

1982-83	$ 1,837,200
1983-84	$ 1,973,900

Included in the above appropriation in each year of the biennium is $18,000 for the Governor's contingent expense fund to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710. Also included in the above appropriation is $216,750 in fiscal year 1982-83 and $234,500 in fiscal year 1983-84 for travel expenses incurred by officers and personnel of the Office of the Governor, and no other funds of the Commonwealth shall be used for such expenses.

2. LIEUTENANT GOVERNOR

1982-83	$ 405,100
1983-84	$ 435,600

Included in the above appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's contingent expense fund to meet additional expenses associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710. Also included in the above appropriation is $8,800 in fiscal year 1982-83 and $10,300 in fiscal year 1983-84 for travel expenses incurred by officers and personnel of the Office of the Lieutenant Governor, and no other funds of the Commonwealth shall be used for such expenses.

3. SECRETARY OF STATE

a. General Operations	
1982-83	$ 793,000
1983-84	$ 352,000
b. Restoration of Land Grant Books	
1982-83	$ 40,000
1983-84	$ 44,000

TOTAL - SECRETARY OF STATE	
1982-83	$ 833,200
1983-84	$ 896,000

4. BOARD OF ELECTIONS

1982-83	$ 1,096,500
1983-84	$ 1,178,800

Included in the above appropriation is $745,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.105). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any expenses in excess of the above amounts shall be deemed a necessary governmental expense.

5. TREASURY

1982-83	$ 1,096,300
1983-84	$ 1,178,500

6. DEPARTMENT OF LAW

1982-83	$ 4,027,800
1983-84	$ 4,355,600

7. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 2,065,900

1983-84..............................$ 2,218,800

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

Any expenses incurred in the auditing of federal disaster relief funds shall be deemed a necessary governmental expense.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Effective July 1, 1983, any expense incurred by the Auditor of Public Accounts for auditing state agencies as defined by KRS 43.010 and KRS 43.050, shall be charged to the audited agency. The Auditor of Public Accounts is hereby authorized to receive and deposit these funds in a separate Agency Funds account, to be established for this purpose. The Secretary of Finance and Administration shall transfer, based upon a statement submitted by the Auditor in consultation with the audited agency head, the direct costs associated with such audits from funds appropriated and allotted to the audited agency. Such funds shall be credited to the Auditor of Public Accounts to the Agency Fund account, and a corresponding amount from the General Fund appropriation to the Auditor of Public Accounts shall be lapsed to the extent of such credit. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

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8. CAPITAL PLAZA

1982-83..............................$ 1,345,400
1983-84..............................$ 1,371,500

The above appropriation shall be used for debt service for the Capital Plaza.

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9. COUNTY COSTS	1982-83	1983-84
a. Jailers' Fees	$11,000,000	$11,000,000
b. Base Court Revenue	5,437,600	5,437,600
c. Sheriffs' Fees	1,650,000	1,700,000
d. Jury Fund	3,400,000	3,500,000
e. Witnesses	65,000	65,000
f. Special Bailiffs	20,000	20,000
g. Board of Assessment Appeals	50,000	50,000
h. Fugitives from Justice	300,000	300,000
i. Sheriffs' Expense Allowance	432,000	432,000
j. Premium on Sheriffs' Bonds	175,000	175,000
k. County Clerks - Making Tax Bills	400,000	400,000

All county costs funded by the General Fund are deemed to be necessary governmental expenses and additional funds may be allotted from the General Fund surplus by the Secretary of the Finance and Administration Cabinet.

In the event enabling legislation for the implementation of the jails omnibus revision legislation embodied in House Bill 440 or other Act, is not enacted by the 1982 General Assembly $1,500,000 in fiscal year 1982-83 and $1,000,000 in fiscal year 1983-84 appropriated above for Jailers' Fees shall remain unallotted and shall lapse to the credit of the General Fund. In the event that the jails omnibus revision legislation is enacted by the 1982 General Assembly, the preceding stated amounts shall not be in addition to any other special appropriation which may be authorized for this purpose.

TOTAL - COUNTY COSTS

1982-83..............................$ 22,929,600
1983-84..............................$ 23,079,600

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10. FINANCE AND ADMINISTRATION CABINET

a. Office of the Secretary

1982-83..............................$ 1,885,300
1983-84..............................$ 2,274,200

Included in the above appropriation is $150,000 each fiscal year for payment to the city of Frankfort for the provision of fire and police protection and other services for state owned property in accordance with KRS 45.155. Also included in the above appropriation for fiscal year 1983-84 is $250,000 to provide for gubernatorial transition in accordance with the provisions of KRS 11.260

b. Office for Policy and Management

1982-83..$ 5,555,300
1983-84..$ 5,525,700

Included in the above appropriation is $190,300 in fiscal year 1982-83 and $203,900 in fiscal year 1983-84 for the Office of Investment and Debt Management. In the event of passage of enabling legislation by the 1982 General Assembly transferring this program to the State Treasurer, these funds shall be transferred to the Treasury Department. In the event such enabling legislation is not enacted by the 1982 General Assembly, the above funds shall remain in the Office for Policy and Management for the operation of the Office of Investment and Debt Management.

c. Department of Administration

1982-83..$ 3,447,400
1983-84..$ 3,706,200

d. Department of Facilities Management

1982-83..$ 5,850,100
1983-84..$ 6,281,000

e. Department of Personnel

1982-83..$ 2,983,700
1983-84..$ 3,207,400

Notwithstanding the provisions of KRS 18.330, a portion of the above appropriation may be used for the pro-rata cost of administering a merit system of personnel administration for the civil service of the Commonwealth for all departments, commissions, boards, or other agencies which receive support from the General Fund or Revolving Trust and Agency Funds. Said appropriations may also be used for special training programs for state employees approved by the Secretary of the Finance and Administration Cabinet.

Relative to merit hearings before the Personnel Board, the particular agency of which the complainant is or was an employee shall bear all of the administrative costs thereof whenever the Personnel Board rules in favor of the complainant, such as for example, but not limited to, the fees of court reporters, the printing or other reproduction expenses related to hearing transcripts, and other related matters. Relative to all appeals resulting from merit hearings of the Personnel Board, including appeals to the Circuit Court, Court of Appeals, or the Supreme Court, the particular agency of which the complainant in said hearing is or was an employee shall bear all of the costs thereof whenever the courts rule in favor of the complainant, chargeable to the Personnel Board, such as for example, but not limited to, legal fees and court costs and fees.

Included in the above appropriation is an amount not to exceed $25,000 in fiscal year 1982-83 for the payment of cash merit awards earned by state employees in accordance with the guidelines promulgated by the Department of Personnel for the Employee Suggestion System.

Included in the above appropriation is $100,000 in each fiscal year for an Automobile Liability Reimbursement program.

Included in the above appropriation is, at least, $230,000 in fiscal year 1982-83 and $247,000 in fiscal year 1983-84 for the operation of the Personnel Board. Any unexpended balance at the close of the 1982-83 fiscal year shall not lapse, but shall continue into the 1983-84 fiscal year. In the event of passage of enabling legislation providing for a separate appropriation to the board, these funds shall be transferred to the Personnel Board.

f. Office for Program Administration

1982-83..$ 292,100
1983-84..$ 313,900

g. Local Government Economic Assistance Fund

1982-83..$ 49,250,000
1983-84..$ 71,600,000

The above appropriations are based on the official estimate of the Commissioner of Revenue of severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

h. Competitive Pay Structure Fund

1982-83..$ 6,930,000
1983-84..$ 22,770,000

Any portion of the above appropriation may be transferred to any major program area or agency of state government for the purpose of rewarding those state employes who are rated according to their employe performance evaluation review. The Office for Policy and Management, at the recommendation of the Department of Personnel, shall distribute the Competitive Pay Structure Fund to all qualifying state employes.

No funds shall be used for non-merit director/commissioner positions and above. Notice of the transfers of these funds shall be reported quarterly during each fiscal year to the Legislative Research Commission.

i. Area Development Fund

1982-83 .... $ 2,970,000
1983-84 .... $ 2,970,000

Notwithstanding the provisions of KRS 45.045(2), funds expended for the Area Development Fund shall be limited to these amounts.

Any unexpended balance at the close of fiscal year 1982-83 and fiscal year 1983-84 shall not lapse but shall carry forward to the next fiscal year.

j. State Planning Fund

1982-83 .... $ 1,980,000
1983-84 .... $ 1,980,000

Any portion of the above appropriation for the State Planning Fund may be transferred to other major program areas or agencies of state government for the purpose of funding planning activities approved by the State Planning Committee. Any unexpended balance remaining at the close of the 1982-83 fiscal year shall lapse to the credit of the General Fund.

There is transferred from the General Fund appropriation for the State Planning Fund of the Finance and Administration Cabinet to the Department of Insurance $25,000 for fiscal year 1982-83 and $25,000 for the fiscal year 1983-84 for the purpose of **HB 269** as enacted by the 1982 General Assembly.

Included in the above appropriation is $130,600 each fiscal year for the Office of Equal Opportunity Contract Compliance which shall be under the jurisdiction of the Office of the Secretary of the Finance and Administration Cabinet.

k. Kentucky Center for the Arts - Debt Service

1983-84 .... $ 2,935,000

TOTAL - FINANCE AND ADMINISTRATION CABINET

1982-83 .... $ 81,144,200
1983-84 .... $123,571,400

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11. GENERAL OBLIGATION BONDS

a. Park Bonds

1982-83 .... $ 558,500
1983-84 .... $ 553,000

b. Veterans Bonus Bonds

1982-83 .... $ 7,843,000
1983-84 .... $ 7,847,000

c. 1965 General Purpose Bonds

1982-83 .... $ 2,047,000
1983-84 .... $ 2,053,000

TOTAL - GENERAL OBLIGATION BONDS

1982-83 .... $ 10,448,500
1983-84 .... $ 10,453,000

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12. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

1982-83 .... $ 4,006,200
1983-84 .... $ 4,340,300

Included in the above appropriation is $152,000 in fiscal year 1982-83 and $152,000 in fiscal year 1983-84 for the Kentucky Early Warning System (KEWS) operation.

Also included in the above appropriation is $324,800 in fiscal year 1982-83 and $336,000 in fiscal year 1983-84 for the operations of the Kentucky Center for Veterans Affairs. Included in the above appropriation is $42,000 in fiscal year 1982-83 and $44,500 in fiscal year 1983-84 for the Kentucky Military Academy.

b. Disaster and Emergency Services

1982-83 .... $ 1,823,800
1983-84 .... $ 1,953,700

Also, included in the above appropriation is $150,000 in fiscal year 1982-83 and $161,200 in fiscal year 1983-84 for emergency expenses incurred by the Division of Disaster and Emergency Services for disasters and emergencies. These funds may only be expended at the recommendation of the Adjutant General to the Governor.

Included in the above appropriation is $204,700 in fiscal year 1982-83 and $230,700 in fiscal year 1983-84 for the KEWS operations. Included in the above appropriation is $200,000 each fiscal year for the Local Rescue Aid program. Also included in the above appropriation is $39,900 in fiscal year 1982-83 and $53,800 in fiscal year 1983-84 for the Flash Flood Watch program.

Any expenditures of funds as a result of the governor's call of the Kentucky National Guard to active duty is hereby declared to be a necessary governmental expense provided, however, that an emergency situation shall have been directed to exist by the Governor.

TOTAL - DEPARTMENT OF MILITARY AFFAIRS

1982-83	$ 5,830,000
1983-84	$ 6,294,000

13. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Kentucky Athletic Commission

1982-83	$ 59,000
1983-84	$ 64,200

b. Board of Proprietary Education

1982-83	$ 9,400
1983-84	$ 10,100

The functions and appropriations of the agency are transferred within the Finance and Administration Cabinet under the Division of Occupations and Professions.

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

1982-83	$ 68,400
1983-84	$ 74,300

14. DEPARTMENT OF REVENUE

1982-83	$ 33,059,200
1983-84	$ 35,290,700

Included in the above appropriation is $9,565,900 in fiscal year 1982-83 and $10,283,200 in fiscal year 1983-84 for property valuation administrators; any expenses in excess of these amounts for property valuation administrators shall be deemed necessary governmental expenses. Notwithstanding other statutes to the contrary, property valuation administrators shall receive a maximum five percent (5%) salary increase each fiscal year.

15. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83	$ 42,600
1983-84	$ 58,400

16. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth Attorneys

1982-83	$ 6,624,300
1983-84	$ 7,069,200

b. County Attorneys

1982-83	$ 7,003,400
1983-84	$ 7,520,100

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

1982-83	$ 13,627,700
1983-84	$ 14,589,300

Notwithstanding other statutory provisions to the contrary, the above appropriation includes a maximum five percent (5%) salary increase for elected officials and staff persons each fiscal year.

17. KENTUCKY HORSE COUNCIL

1982-83	$ 21,800
1983-84	$ 23,400

18. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

a. Board of Claims Awards

1982-83	$ 100,000
1983-84	$ 100,000

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

1982-83	$ 200,000
1983-84	$ 200,000

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of $5,500,000 in any fiscal year.

c. Prior Year Claims

1982-83	$ 500,000
1983-84	$ 500,000

d. Unredeemed Checks Refunded

1982-83	$ 33,000
1983-84	$ 33,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

e. Blanket Employees Bonds

1982-83	$ 49,000
1983-84	$ 49,000

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

f. Frankfort Planning Commission

1982-83	$ 1,000
1983-84	$ 1,000

g. Frankfort Cemetery

1982-83	$ 2,500
1983-84	$ 2,500

h. Public Improvements

1982-83	$ 5,000
1983-84	$ 5,000

Funds are appropriated for paying assessments for public improvements against property owned by the State, and for which said assessments the State is deemed to be liable.

i. Police and Firemen - Life Insurance

1982-83	$ 50,000
1983-84	$ 50,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

j. Workers' Compensation

1982-83	$ 120,000
1983-84	$ 120,000

Fee officers in counties over 75,000 in population.

k. Master Commissioners - Employers Retirement

1982-83	$ 63,000
1983-84	$ 63,000

l. Master Commissioners - Social Security

1982-83	$ 58,000
1983-84	$ 58,000

m. Money Refunded

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General.

TOTAL - APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1982-83	$ 1,181,500
1983-84	$ 1,181,500

All items included within the Appropriations Not Otherwise Classified category shall be deemed necessary governmental expenses, and any expenditure over the above amounts is to be paid from the General Fund Surplus.

19. SECRETARY OF THE CABINET

1982-83	$ 235,600
1983-84	$ 253,000

20. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83	$ 2,971,700
1983-84	$ 3,158,300

Included in the above appropriation is $1,500,000 in fiscal year 1982-83 and $1,612,500 in fiscal year 1983-84 for the Joint Funding Administration.

TOTAL - GOVERNMENT OPERATIONS

1982-83	$184,241,600
1983-84	$231,435,600

B. COMMERCE

21. DEPARTMENT OF PARKS

1982-83	$ 12,876,600
1983-84	$ 14,352,900

Included in the above appropriation is $460,000 in fiscal year 1983-84 for debt service payments. In addition to these amounts, debt service payments of $1,456,000 in fiscal year 1982-83 and $996,000 in fiscal year 1983-84 shall be made from excess funds in debt service reserve accounts for Projects 10, 14 and 16.

Also included in the above appropriation is funding to restore the Recreation Parks and Shrines to the operating schedule which was in place for calendar year 1980. Should reductions in funding become necessary due to revenue shortfall, the Recreation Parks and Shrines Program shall be reduced only proportionately equal to other Department of Parks programs.

22. OFFICE OF THE SECRETARY

1982-83	$ 4,536,300
1983-84	$ 7,621,900

Included in the above appropriation is $3,000,000 in fiscal year 1982-83 and $6,000,000 in fiscal year 1983-84 for debt service payments on the Economic Development Bond projects.

23. BREAKS INTERSTATE PARK COMMISSION

1982-83	$ 164,700
1983-84	$ 164,800

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

24. DEPARTMENT OF THE ARTS

a. General Operations

1982-83	$ 1,769,100
1983-84	$ 1,769,900

Included in the above appropriation is $70,000 for fiscal year 1982-83 and $70,000 for fiscal year 1983-84 for grants to Outdoor Dramas in the Commonwealth.

Included in the above appropriation is $75,000 for fiscal year 1982-83 and $75,000 for fiscal year 1983-84 for grants for historic preservation to be administered by the Heritage Division.

b. Challenge Grants

1982-83	$ 1,089,000
1983-84	$ 1,287,000

Challenge grants shall be distributed to local arts fund raising organizations in accordance with regulations promulgated by the Kentucky Arts Council up to a matching incentive of 28 percent of their total contributed income in fiscal year 1982-83 and 33 ⅓ percent in fiscal year 1983-84. Such regulations shall provide for grant funds to small as well as large communities. The Kentucky Arts Council shall develop a policy which will insure that small communities which have not heretofore participated in the program are eligible to participate and are encouraged to so participate.

TOTAL - DEPARTMENT OF THE ARTS

1982-83 .... $ 2,858,100
1983-84 .... $ 3,056,900

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25. KENTUCKY HORSE PARK

1982-83 .... $ 1,464,300
1983-84 .... $ 1,755,400

Included in the above appropriation is $1,113,300 in fiscal year 1982-83 and $1,312,500 in fiscal year 1983-84 for debt service payments.

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26. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83 .... $ 8,141,000
1983-84 .... $ 8,377,700

Included in the above appropriation is $1,000,000 for fiscal year 1982-83 and $1,000,000 for fiscal year 1983-84 for expansion of the industrial and economic development program. These funds shall be utilized, in part, to implement a regional concept for industrial agents employed by the Department in its headquarters.

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27. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1982-83 .... $ 990,000
1983-84 .... $ 5,940,000

In fiscal year 1982-83, it is the intent of the General Assembly that the above one million dollars ($1,000,000) appropriation shall serve as an advance to the Kentucky Development Finance Authority Loan Program. The stated one million dollars ($1,000,000) shall be reimbursed to the General Fund of the Commonwealth through proceeds received from repayments of loans by the close of fiscal year 1982-83. Included in the above appropriation is $6,000,000 for fiscal year 1983-84 for debt service payments for Economic Development Bonds for the Kentucky Development Finance Authority Loan Program. The program authorized for this bond issue is consistent with the definition of "Building Project" in KRS 56.440 Section 1(4). The Kentucky Development Finance Authority shall make a concerted effort to assure that loans are disbursed to small businesses as well as large industry in small and large communities as equitably as is feasible.

TOTAL - COMMERCE

1982-83 .... $ 30,980,900
1983-84 .... $ 41,269,600

C. CORRECTIONS

28. CORRECTIONS

a. Correction's Management

1982-83 .... $ 3,119,400
1983-84 .... $ 3,156,300

The above appropriation reflects the intention of the General Assembly to reduce administrative personnel costs by at least $276,000 annually.

b. Adult Institutions

1982-83 .... $ 37,949,200
1983-84 .... $ 41,115,100

c. Community Services

1982-83 .... $ 7,447,700
1983-84 .... $ 8,405,400

Included in the above appropriation is $750,000 in fiscal year 1982-83 and $787,500 in fiscal year 1983-84 which shall be used to fund a 20% salary upgrade, based on the January 1, 1982, salary schedule, for Probation and Parole Officers. Also included is $446,500 in fiscal year 1983-84 for hazardous duty retirement pay for Probation and Parole Officers pursuant to proposed enactment of legislation by the 1982 General Assembly. If such enabling legislation should fail to pass, this sum shall lapse to the General Fund.

d. Debt Service

1982-83 .... $ 3,100,000
1983-84 .... $ 3,100,000

TOTAL - CORRECTIONS
1982-83 .... $ 51,616,300
1983-84 .... $ 55,776,800

D. EDUCATION AND HUMANITIES

29. DEPARTMENT OF EDUCATION

a. General Administration
1982-83 .... $ 9,572,700
1983-84 .... $ 10,164,800

Included in the above appropriation is $131,700 in fiscal year 1982-83 and $133,300 in fiscal year 1983-84 for debt service.

b. Local District Health and Life Insurance
1982-83 .... $ 30,159,700
1983-84 .... $ 39,706,500

Included in the above appropriation is $481,700 in fiscal year 1982-83 and $487,500 in fiscal year 1983-84 to provide life insurance to each full-time certified and non-certified employe of local boards of education. Also included in the above appropriation is $29,552,300 in fiscal year 1982-83 and $39,088,900 in fiscal year 1983-84 to purchase medical insurance for certified and noncertified full-time employes of local boards of education pursuant to applicable statutes and regulations. If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Finance and Administration Cabinet.

c. Education for Exceptional Children
1982-83 .... $ 7,710,600
1983-84 .... $ 8,636,000

Of the above appropriation, at least $6,294,000 in fiscal year 1982-83 and $7,113,200 in fiscal year 1983-84 is included for the Kentucky School for the Blind and the Kentucky School for the Deaf.

Also included in this appropriation is $320,000 in fiscal year 1983-84 for debt service for the addition to the classroom building at the Kentucky School for the Blind.

d. School Foundation Program
1982-83 .... $807,087,000
1983-84 .... $867,793,600

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

Funds appropriated to the School Foundation Program shall be allotted to school districts in accordance with KRS 157.310 through 157.430 and 157A.090, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. If funds appropriated to the School Foundation Program are insufficient to provide the amount of money required under KRS 157.390(6), allotments to local school districts shall be reduced in accordance with KRS 157.430.

The amount to be included for the 1982-83 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank Experience	I	II	III	IV	V
0-3 years	$16,450	$14,600	$12,750	$10,820	$9,890
4-9 years	18,290	16,450	14,600	10,820	9,890
10 years & over	19,960	18,110	16,260	10,820	9,890

Beginning with the school year 1983-84, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for each rank:

Rank Experience	I	II	III	IV	V
0-3 years	$17,590	$15,740	$13,890	$11,960	$11,030
4-9 years	19,430	17,590	15,740	11,960	11,030
10 years and over	21,100	19,250	17,400	11,960	11,030

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank for full time service during the regular school year or the allotment under KRS 157.390(2) shall be reduced by an amount equal to the amount by which the district failed to meet salary requirements, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board of Education shall certify such contention to the Department of Revenue. Said department shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Department of Revenue shall then certify its determination to the State Board of Education, and said Board shall accept such certified determination as final.

The State Board of Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1982-83 and 1983-84 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185 day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

The General Assembly acknowledges that included in the Finance Secretary's Order 82-96 is decreased funding for the School Foundation Program for school year 1981-82. One result of that appropriation reduction is that state funds are not provided for the cost of two (2) of the four (4) in-service days provided by KRS 158.070(3). The General Assembly hereby ratifies said funding reduction for school year 1981-82, but reestablishes funding for all four (4) in-service days for school years 1982-83 and 1983-84. However, included in the appropriation in fiscal year 1982-83 is $5,500,000 to reimburse school districts for the above mentioned, unfunded two (2) in-service days in the 1981-82 fiscal year. The Department of Education shall cause this reimbursement to be distributed not later than July 31, 1982, in amounts determined by the Department of Education.

Local school district personnel who are employed beyond the regular school term of 185 days shall be so employed in accordance with the provisions of KRS 157.390(2)(a) and 702 KAR 1:020, except that for purposes of calculation of salary allotments under the Foundation Program, the number of days of employment beyond 185 days shall be established in regulations promulgated by the State Board of Education upon recommendation by the Superintendent of Public Instruction, and funding for these extended employment days shall not exceed $18,761,100 in fiscal year 1982-83 and $19,820,000 in fiscal year 1983-84.

The allotment of any school district classroom units, pursuant to KRS 157.360(1) shall not exceed the number of teachers employed by that school district.

Notwithstanding the provisions of KRS 157.360(2), the allotments to school districts of basic classroom units for grades one (1) through three (3) shall be made on the basis of one for every twenty-seven (27) pupils in average daily attendance in fiscal year 1982-83 and one for every twenty-five (25) pupils in average daily attendance in fiscal year 1983-84. The allotments of basic classroom units for grades four (4) through twelve (12) shall be made on the basis of one for every twenty-seven (27) pupils in average daily attendance.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1982-83	1983-84
Vocational Education	2,858	2,858
Exceptional Children	4,210	4,210
Kindergarten	800	850

Provided, however, that if the budgeted units in any category of classroom units — Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration — prove to be excessive, the surplus may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board of Education and the Secretary of the Finance and Administration Cabinet.

Kindergarten units shall be allotted in fiscal year 1982-83 and fiscal year 1983-84 on the basis of one for every two classes with 25 pupils enrolled in each class.

The allotments of basic classroom units shall be made on the average daily attendance (ADA) for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions, notwithstanding the provisions of KRS 157.360(2): (a) an average daily attendance of eight and four-tenths (8.4) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each vocational education unit allotted, and (b) an average daily attendance of six and three-tenths (6.3) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each exceptional children unit allotted.

Notwithstanding the provisions of KRS 157.360(7)(a), the total number of administrative and special instructional services (ASIS) units allotted under KRS 157.360(7) shall be the sum of the total allotted number of basic units, kindergarten units, vocational units, and exceptional children units divided by 9. Allotments for classroom units pursuant to KRS 157.360(7) shall only be for those personnel who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1982-84 biennium shall be determined by multiplying the number of classroom units by: $3,680 in the 1982-83 school year and $4,050 in the 1983-84 school year.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: $1,800 in the 1982-83 school year and $1,900 in the 1983-84 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal years 1982-83 and 1983-84 shall lapse to the General Fund except where provisions to the contrary are provided in this Act. No unexpended portions of the School Foundation Program fund shall be expended at any time for the purpose of KRS 156.610 through 156.650 except as identified in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase, of the total appropriation to the Foundation Program is subject to Part VI, General Provisions, Section 8, of this Act, and the provisions of KRS 45.160.

Included in this appropriation is $69,877,500 in fiscal year 1982-83 and $73,720,700 in fiscal year 1983-84 for the costs of transporting pupils to and from school. Calculations of the allotments of pupil transportation funds to school districts shall be made in accordance with KRS 157.370 and 157A.090, except that the total of the funds allotted under KRS 157.390(5) shall not exceed $69,877,500 in fiscal year 1982-83 and $73,720,700 in fiscal year 1983-84; provided, however, that these sums may be increased by any excess funds appropriated for the School Foundation Program, but no such increases shall exceed the total transportation cost calculated in accordance with KRS 157.370 and 157A.090, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

There is included in the above appropriation for fiscal year 1982-83, $7,000,000 for the purpose of reimbursing school districts for transportation expenses incurred during fiscal year 1981-82.

In the event that the funds appropriated for pupil transportation in fiscal 1981-82 are insufficient to provide allotments to local school districts in accordance with KRS 157.370 and 157A.090, notwithstanding KRS 157.430, the allotments of funds for pupil transportation only to local school districts shall be ratably reduced without reducing other allotments under this appropriation.

Included in the School Foundation Program appropriation is $1,785,400 in fiscal year 1982-83 and $1,964,000 in fiscal year 1983-84 for Vocational Transportation.

e. Power Equalization

1982-83	$ 34,100,000
1983-84	$ 37,510,000

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.575.

f. Instructional Services

1982-83	$ 3,891,900
1983-84	$ 4,091,000

Included in the above appropriation is at least $2,080,700 in fiscal year 1982-83 and $2,185,700 in fiscal year 1983-84 for the Gifted and Talented program.

g. Finance and Administration

1982-83	$ 16,718.000

1983-84	$ 15,868,000

Included in the above appropriation is $3,231,700 for fiscal year 1982-83 and $2,654,900 for fiscal year 1983-84 for reimbursements to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. There is included in the above appropriation for fiscal year 1982-83, $800,000 for the purpose of reimbursing school districts for expenses incurred in the operation of the Out-of-District Program during fiscal year 1981-82. The provisions of KRS 158.135 notwithstanding, funds to be expended for the Out-of-District Children program shall be limited to these amounts, and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

The above appropriation also includes $282,700 in fiscal year 1982-83 and $303,900 in fiscal year 1983-84 for school district audits; and $9,459,300 in fiscal year 1982-83 and $8,573,800 in fiscal year 1983-84 for the purchase of textbooks for grades kindergarten through twelve.

Notwithstanding the provisions of KRS 156.440, the textbooks selected by the textbook commission for each subject and grade shall be used as a basal text in school districts for a period of six (6) years.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instructional materials, notwithstanding the provisions to the contrary in KRS 158.107.

Included in this appropriation is $200,000 in fiscal year 1982-83 and $410,000 in fiscal year 1983-84 for math and science scholarships. These scholarships shall be administered in accordance with regulations which shall be promulgated by the State Board of Education.

h. Vocational Education

1982-83	$ 39,453,100
1983-84	$ 42,641,500

Included in the above appropriation is at least $1,926,300 in fiscal year 1982-83 and $1,697,600 in fiscal year 1983-84 for equipment procurement and maintenance.

i. Rehabilitation Services

1982-83	$ 3,913,100
1983-84	$ 4,206,600

TOTAL - DEPARTMENT OF EDUCATION

1982-83	$ 952,605,100
1983-84	$1,030,618,000

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30. KENTUCKY EDUCATIONAL TELEVISION

1982-83	$ 6,255,800
1983-84	$ 6,632,100

Included in the above appropriation is $607,800 in fiscal year 1982-83 and $608,800 in fiscal year 1983-84 for debt service.

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31. HISTORICAL SOCIETY

1982-83	$ 1,338,700
1983-84	$ 1,448,400

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32. LIBRARY AND ARCHIVES

1981-82	$ 125,000
1982-83	$ 7,220,400
1983-84	$ 8,213,700

The appropriation includes $900,000 in fiscal year 1982-83 and $1,450,000 in fiscal year 1983-84 for debt service payments for the new State Library and Archives Building.

The appropriation in fiscal year 1981-82 is for utilities and maintenance for the new building.

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33. BUREAU FOR THE BLIND

1982-83	$ 1,014,500
1983-84	$ 1,237,600

Included in the above appropriation is $401,600 in fiscal year 1982-83 and $420,700 in fiscal year 1983-84 for Kentucky Industries for the Blind. Included in the above appropriation is $147,000 in fiscal year 1983-84 to replace federal funds for the Center for Independent Living.

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34. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 6,651,900
1983-84	$ 6,976,600

Funds are appropriated for the purpose of meeting the debt service requirements on bonds and bond anticipation notes previously issued or authorized by the Authority. No funds are appropriated for new school building projects in the 1982-84 biennium. Included in the appropriation is $90,900 in fiscal year 1982-83 and $97,600 in fiscal year 1983-84 for administration.

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35. TEACHERS' RETIREMENT SYSTEM

1982-83	$103,888,300
1983-84	$120,113,100

Funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.710.

The above appropriation includes $2,124,000 in General Funds in fiscal year 1983-84 to partially fund the cost of a retiree benefit cost-of-living increase which will increase benefits on July 1, 1982, and July 1, 1983, by one percent for each year a teacher has been retired not to exceed five years. The Teachers' Retirement System is hereby authorized to finance the $2,800,000 cost in fiscal year 1982-83 and $3,576,000 of the total $5,700,000 cost in fiscal year 1983-84 with excess investment earnings (above the actuary's assumed rate) from the retired member reserves.

Notwithstanding the employer contribution rates and benefit improvements effective July 1, 1982 established under the provisions of KRS 161.540(3) and 161.620(1)(b), all service performed after July 1, 1941 and before January 1, 1984 shall be valued at two percent (2%) of the final average salary. For retirements effective January 1, 1984, and thereafter, the allowance for service performed after January 1, 1984, shall be valued at two and one half percent (2.5%) of the final average salary for all members not employed by a state university or college, and two percent (2%) of the final average salary for members employed by a state university or college. Prior to January 1, 1984, each member employee shall contribute to the retirement system seven and eighty-four hundreds percent (7.84%) of annual compensation, except where KRS provisions otherwise define employee contributions of members employed by a state university or college. After January 1, 1984, each member employee not employed by a state university or college shall contribute to the retirement system nine and thirty-two hundreds percent (9.32%) of annual compensation.

The above appropriation is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.710. In the event the above appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1982-83 or fiscal year 1983-84 for the cost of administration.

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36. COMMISSION ON HUMAN RIGHTS

1982-83	$ 1,064,900
1983-84	$ 1,116,200

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37. COMMISSION ON WOMEN

1982-83	$ 123,800
1983-84	$ 132,900

TOTAL - EDUCATION AND HUMANITIES

1981-82	$ 125,000
1982-83	$ 1,080,163,400
1983-84	$ 1,176,488,600

E. ENERGY AND AGRICULTURE

38. DEPARTMENT OF ENERGY

a. Administration and Support

1982-83	$ 991,400
1983-84	$ 1,070,700

b. Bureau of Energy Production and Utilization

1982-83	$ 637,600
1983-84	$ 721,200

No grant from the above appropriations may be made to a private non-profit corporation without the prior approval of the Interim Joint Appropriations and Revenue Committee.

c. Bureau of Energy Research and Development

1982-83	$ 6,990,300
1983-84	$ 9,142,100

Included in the above appropriation are funds for the Kentucky Geological Survey.

d. Demonstration Trust Fund

1982-83	$ 3,465,000
1983-84	$ 3,973,700

TOTAL - DEPARTMENT OF ENERGY

1982-83	$ 12,084,300
1983-84	$ 14,907,700

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39. DEPARTMENT OF AGRICULTURE

1982-83	$ 7,098,500
1983-84	$ 7,660,500

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40. COUNCIL ON AGRICULTURE

1982-83	$ 693,000
1983-84	$ 643,500

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41. STATE FAIR BOARD

1982-83	$ 4,397,800
1983-84	$ 6,044,600

Included in the above appropriation is $3,500,000 in fiscal year 1982-83 and $3,500,000 in fiscal year 1983-84 for debt service on the Project 26 bond issue. Also included in the above appropriation is $856,000 in fiscal year 1982-83 and $2,513,000 in fiscal year 1983-84 for the debt service on Project 21 bond issue. Additional funds required for debt service on Project 21 may be derived from the excess debt service reserve and project account surpluses in the Project 21 bond issue.

TOTAL - ENERGY AND AGRICULTURE

1982-83	$ 24,273,600
1983-84	$ 29,256,300

F. HIGHER EDUCATION

42. COUNCIL ON HIGHER EDUCATION

1982-83	$ 4,343,500
1983-84	$ 4,610,300

Included in the above appropriation is $63,000 in fiscal year 1982-83 for 15 entering optometry contract spaces and $66,000 in fiscal year 1983-84 for the continuation of the stated spaces.

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43. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 5,619,300
1983-84	$ 7,218,300

Included in the above appropriation is $2,352,000 for fiscal year 1982-83 and $3,117,100 for fiscal year 1983-84 for the State Student Incentive Grant Program. Also included is $3,267,300 for fiscal year 1982-83 and $4,101,200 for fiscal year 1983-84 for the Kentucky Tuition Grant Program.

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44. KENTUCKY STATE UNIVERSITY

1982-83	$ 9,399,100
1983-84	$ 9,599,100

Included in the above appropriation is $343,000 in fiscal year 1982-83 and $341,700 in fiscal year 1983-84 for debt service.

Included in the above appropriation are non-recurring funds of $100,000 in fiscal year 1982-83 and $300,000 in fiscal year 1983-84 and shall be used only to implement enhancement programs.

Any unexpended balance at the close of fiscal year 1981-82, fiscal year 1982-83, and fiscal year 1983-84 shall not lapse but shall carry forward to the new fiscal year.

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45. EASTERN KENTUCKY UNIVERSITY

1982-83	$ 32,036,600
1983-84	$ 33,922,400

Included in the above appropriation is $1,945,200 in fiscal year 1982-83 and $1,945,200 in fiscal year 1983-84 for debt service.

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46. MOREHEAD STATE UNIVERSITY

1982-83	$ 19,479,100
1983-84	$ 20,672,700

Included in the above appropriation is $1,396,700 in fiscal year 1982-83 and $1,399,200 in fiscal year 1983-84 for debt service.

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47. MURRAY STATE UNIVERSITY

1982-83	$ 24,162,000
1983-84	$ 25,532,100

Included in the above appropriation is $1,629,900 in fiscal year 1982-83 and $1,632,000 in fiscal year 1983-84 for debt service.

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48. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 19,369,000
1983-84	$ 20,525,000

Included in the above appropriation is $3,238,200 in fiscal year 1982-83 and $3,235,600 in fiscal year 1983-84 for debt service.

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49. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 30,418,900
1983-84	$ 32,273,800

Included in the above appropriation is $1,673,100 in fiscal year 1982-83 and $1,667,900 in fiscal year 1983-84 for debt service.

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50. UNIVERSITY OF LOUISVILLE

1982-83	$ 83,504,500
1983-84	$ 92,786,100

Included in the above appropriation is $8,902,200 in fiscal year 1982-83 and $10,743,700 in fiscal year 1983-84 for debt service.

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51. UNIVERSITY OF KENTUCKY

1982-83	$154,797,100
1983-84	$173,342,800

Included in the above appropriation is $7,382,800 in fiscal year 1982-83 and $10,061,000 in fiscal year 1983-84 for debt service. Of the stated debt service amounts, $1,288,500 in fiscal year 1982-83 and $2,721,900 in fiscal year 1983-84 are for the Community College System.

Included in the above appropriation is the appropriation for the Community College System which shall not be less than $23,887,100 in fiscal year 1982-83 and $28,423,900 in fiscal year 1983-84.

TOTAL - HIGHER EDUCATION

1982-83	$383,129,100
1983-84	$420,482,600

G. HUMAN RESOURCES

52. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83	$ 30,359,000
1983-84	$ 32,705,900

In the event that any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the bureau, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet. Notwithstanding KRS 45.235, any unexpended balance not used for Public Assistance Benefits remaining at the close of the 1982-83 fiscal year shall lapse.

2. Benefits

1982-83	$197,519,800

1983-84 .... $221,700,200

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. Included in the above appropriation for benefits is $346,300 in fiscal year 1982-83 and $393,200 in fiscal year 1983-84 for reinstatement of the Special Allowance for Child Care in the Aid to Families with Dependent Children Program and $2,050,000 in fiscal year 1982-83 and $2,050,000 in fiscal year 1983-84 for Home and Community Based Services in the Medical Assistance Program. The General Funds appropriated for the benefits portion of the Medical Assistance Program shall not exceed $150,139,600 in fiscal year 1982-83 and $173,054,400 in fiscal year 1983-84. In addition, the Secretary of the Department is hereby directed to transfer at least 9% of federal receipts for the Home Energy Assistance Program Block Grant to the In-Home Services Subprogram of the Bureau for Social Services, in each year of the biennium.

The Department shall develop, present to the Legislative Research Commission, and implement no later than July 1, 1982, a Medicaid cost containment plan which will:

1. Assure that total Medicaid expenditures for each year of the biennium do not exceed the Medicaid appropriation for each year of the biennium;
2. Limit total Medicaid expenditures to service providers for optional institutional care to not more than 33% for fiscal year 1982-83 and 33% for fiscal year 1983-84 of the total appropriation for Medicaid benefits, and
3. Establish utilization and cost controls for Medicaid service recipients and providers and discourage non-essential utilizations.

In developing this plan, it is the intent of the 1982 General Assembly that the Department shall consider the following priorities in the order listed:

1. Improve program management and administration, e.g., with respect to fraud detection, collection of third party payments and error rates;
2. Reduce services or payment rates within a reimbursable category;
3. Eliminate reimbursable service categories;
4. Reduce the number of eligible recipients within a group;
5. Implement co-payment on recipients; and
6. Eliminate recipient groups.

No portion of this appropriation may be used for the costs of administration. In no instance shall the unexpended balance carried forward, as provided by KRS 45.235, or any portion thereof be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet.

All medical assistance vendor statements for services rendered as a result of bona fide claims for medical care may be paid in the fiscal year in which such statements are received by the paying agency.

b. Bureau for Manpower Services

1982-83 .... $ 280,000
1983-84 .... $ 280,000

In the event that in one or both fiscal years of the biennium, the General Fund appropriations to this bureau is not required as match against the Federal Work Incentive Program funds, such appropriations shall be transferred to the Bureau for Social Insurance to be utilized as additional funding for the AFDC Child Care Special Allowance Subprogram.

c. Bureau for Health Services

1982-83 .... $104,277,900
1983-84 .... $108,252,700

Included in the above appropriation is $3,000,000 each fiscal year of the biennium for debt service. Also, included is at least $9,393,500 in fiscal year 1982-83 and at least $10,069,400 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with Regional Mental Health-Mental Retardation Boards.

No funds are included within the above appropriation for costs associated with the implementation of Chapter 254 of the 1980 Acts of the General Assembly, effective July 1, 1982.

Included in the above appropriation is $4,000,000 in fiscal year 1982-83 to assist the University of Kentucky and the University of Louisville teaching hospitals in meeting any deficit as may be identified by the Secretary of the Department for Human Resources. In the event any of these funds are not needed for meeting said deficits, the remaining funds may be transferred to the Bureau for Social Insurance, Medical Assistance program upon approval by the Secretary of the Department for Human Resources and the Secretary of the Finance and Administration Cabinet.

In the Local Health Grants and Administration subprogram, the Department shall distribute the allotments in a manner which shall not discriminate financially against any local health department which chooses to remain independent from a multi-county district health department.

Included in the above appropriations are the following: at least $550,000 in fiscal year 1982-83 and $591,300 in fiscal year 1983-84 for expansion of diabetes screening and treatment; at least $200,000 each year to reinstate funding for the University of Louisville Child Evaluation Center; at least $201,500 each year to reinstate funding for services to chronically ill children; at least $48,000 in fiscal year 1982-83 and $410,200 in fiscal year 1983-84 for expansion of preventive health services for low-income children under the age of seven; and at least $4,990,800 in fiscal year 1982-83 and $6,276,750 in fiscal year 1983-84 to reimburse Level II and Level III hospitals for neonatal care uncollectible costs. In addition, the Department is hereby directed to seek a waiver of federal Medicaid requirements to permit Medicaid reimbursement for up to 21 days for neonatal care, but retaining the 14 day limit for Medicaid reimbursement for other eligible groups.

No funds are included in the above appropriations for the Primary Care Development subprogram in the Primary Care Program, and furthermore, it is the intention of the General Assembly that the Primary Care Development subprogram be abolished by the end of fiscal year 1981-82.

d. Bureau for Social Services

1982-83	$ 37,390,200
1983-84	$ 42,461,800

Included in the above appropriations are the following: at least $1,423,500 in fiscal year 1982-83 and $2,847,000 for fiscal year 1983-84 to increase foster care payment rates; at least $150,000 in fiscal year 1983-84 to increase subsidized adoption payments; at least $495,000 in fiscal year 1982-83 and $585,400 in fiscal year 1983-84 for three new day treatment programs; at least $134,500 in fiscal year 1982-83 and $345,700 in fiscal year 1983-84 for ten new group homes.

Also included in the above appropriations is at least $7,852,800 in fiscal year 1982-83 and $8,641,300 in fiscal year 1983-84 for protective services on behalf of children and adults. Included in the above appropriations for this subsection for protective services is $686,000 in fiscal year 1982-83 and $794,000 in fiscal year 1983-84 for spouse abuse shelters and crisis centers; also included is $40,000 in fiscal year 1982-83 and $45,000 in fiscal year 1983-84 for Parents Anonymous of Kentucky, Inc.

For fiscal year 1982-83, $200,000 of the $686,000 appropriated for protective services is designated for use by new spouse abuse shelter or crisis center applicants according to the challenge grant formula set forth below, while the remainder, $486,000, shall be divided among the seven currently existing spouse abuse programs based upon negotiation between the directors of such programs and Department staff. Any balance remaining of the funds allotted to new applicants in fiscal year 1982-83 not expended or obligated at the end of that year shall be carried forward and added to the allotment of $794,000 for fiscal year 1983-84.

Beginning in fiscal year 1982-83 for new applicants (agencies which have not received state funding support prior to July 1, 1982), and in fiscal year 1983-84 for all applicants, a challenge grant formula shall be utilized to determine allocations of spouse abuse shelter and crisis center funds. The formula shall allocate, to the extent appropriated funds permit, $1 for each dollar raised by qualifying applicants from local or federal (non-state) resources. Qualifying applicants may receive allocations up to a maximum of 50% of their proposed annual budget, such percentage to decline in each subsequent year of application by 5% to a minimum floor of 25% state funding support. A qualified applicant means any public, non-profit incorporated agency which provides, or intends to provide, shelter care, counseling and domestic violence crisis intervention services, for spouses and their children.

Nothing in the requirements established in this section for participation in the spouse abuse shelter and crisis center challenge grant program shall be interpreted to supercede the Department's normal and customary right to establish reasonable performance standards for qualifying applicants provided such standards are established as Kentucky Administrative Regulations after consultation with staff directors of all spouse abuse shelters or crisis centers which presently receive state funding support.

No funds are included within the above appropriation for costs associated with the implementation of Chapter 280 of the 1980 Acts of the General Assembly, effective July 1, 1982.

e. Executive Policy Support

1982-83	$ 9,835,200
1983-84	$ 10,572,800

Included in the above appropriation is $2,803,300 in fiscal year 1982-83 and $2,794,900 in fiscal year 1983-84 for debt service.

TOTAL - HUMAN RESOURCES

1982-83	$379,662,100
1983-84	$415,973,400

H. JUSTICE

53. DEPARTMENT OF JUSTICE

a. Bureau of Training

1982-83	$ 7,868,400
1983-84	$ 2,139,200

Included in the above appropriation is $5,942,200 in fiscal year 1982-83 for the Kentucky Law Enforcement Foundation Program Fund. The General Fund shall be reimbursed as agency receipts accrue to the Kentucky Law Enforcement Foundation Program Fund to the sum of $5,942,200 in fiscal year 1982-83. Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed in KRS 15.460 and KRS 15.500.

b. Bureau of State Police

1982-83	$ 56,859,500
1983-84	$ 60,187,200

Included in the above appropriation is $280,000 in fiscal year 1982-83 and $310,000 in fiscal year 1983-84 to fund liability insurance for sworn personnel. Should enabling legislation fail to pass, these amounts shall lapse to the General Fund.

Also included in the above appropriation in both fiscal years is funding for the reinstatement of 5 arson investigator positions and 15 civilian driver tester positions, thereby freeing 15 sworn troopers, or trooper positions in the event of retirement, to return to full active duty. It is the intention of the General Assembly that personnel dollars provided herein, and further detailed in the legislative budget workpapers, are to maintain the Operations Program at a personnel complement level at least 10% above its August 15, 1981 reported level of 925. In no instance shall the funding integrity of this complement be reduced through layoffs or other personnel actions. If personnel reductions should be necessary due to budgetary constraints, such reductions shall be accomplished first through reactivating sworn administrative personnel or secondly by reducing manpower assigned to Professional Services, Administration, Special Investigation, and Special Enforcement. The above level of appropriation reflects the transfer of Water Enforcement from Special Enforcement to the Department of Natural Resources.

Further, the above appropriation is made in recognition of fuel conservation policies practiced by the Bureau and in support of continued refinement of those practices to make more cost-efficient both vehicle and fuel purchase and use. It is the expressed intent of the General Assembly that the Bureau examine additional cost-containment measures for fuel purchase, including local bidding and use of bulk tanks at posts or through other state agencies, as feasible.

The above appropriation affirms Executive Order 80-929, Special Investigative Command. It is the direction of the General Assembly that the Bureau adhere to KRS Chapter 12 and related statutes and procedures established for all executive branch reorganizations including executive orders, appropriate documentation and legislative confirmation during the next regular session of the General Assembly.

Any extraordinary expenditures of funds as a result of the Governor's call of the Kentucky State Police to extraordinary duty is hereby declared to be a necessary government expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

c. Office of Public Advocacy

1981-82	$ 713,300
1982-83	$ 5,654,200
1983-84	$ 6,576,700

Included in the above appropriation is $5,081,000 in fiscal year 1982-83 and $5,909,500 in fiscal year 1983-84 for the implementation of a structured local defense system which eliminates the assigned counsel method of attorney procurement and provides full-time offices or contractual arrangements with one or more attorneys, professional service corporations, nonprofit organizations or an association of attorneys to provide legal services as detailed in the legislative budget workpapers.

It is the direction of the General Assembly that the Office of the Public Advocacy continue to the best of its ability, to effectuate recoupment procedures as prescribed in KRS Chapter 31.

d. Justice Administration

1982-83	$ 1,513,000
1983-84	$ 1,646,800

Included in the fiscal year 1983-84 appropriation is $52,200 to match anticipated Federal funds. Should Federal funds not become available, this stated sum shall not be transferred or otherwise expended but shall lapse to the General Fund.

Also included in the above appropriation is $725,500 in fiscal year 1982-83 and $744,700 in fiscal year 1983-84 for the expansion of the Medical Examiners' Program. It is the intention of the General Assembly to continue interim study of coroner reform, including constitutional provisions and the effective and feasible funding of coroner support programs.

TOTAL - DEPARTMENT OF JUSTICE

1981-82....................$ 713,300
1982-83....................$ 71,875,100
1983-84....................$ 70,549,900

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

54. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83....................$ 6,207,300
1983-84....................$ 6,672,900

Not less than $60,000 of the appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is deemed to be a necessary government expense by written order of the Governor upon certification by the Secretary of the Finance and Administration Cabinet as to the advisability of such expenditure.

b. Bureau for Environmental Protection

1982-83....................$ 6,875,900
1983-84....................$ 7,277,800

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83....................$ 4,541,000
1983-84....................$ 5,225,000

Included in the above appropriations are at least $100,000 in each fiscal year for oil shale regulation development.

d. General Administration and Support

1982-83....................$ 3,853,800
1983-84....................$ 4,139,300

Included in the above appropriation is $700,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 for the maintenance and operation at the Maxey Flats Nuclear Waste Disposal Site. Also included in the above appropriation is $465,300 in fiscal year 1982-83 and $552,700 in fiscal year 1983-84 for capital improvements at the Maxey Flats Nuclear Waste Disposal Site. The capital improvements appropriation shall be expended only upon prior approval of the appropriate interim committee as determined by the Legislative Research Commission.

TOTAL - DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83....................$ 21,478,000
1983-84....................$ 23,315,600

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55. ENVIRONMENTAL QUALITY COMMISSION

1982-83....................$ 56,600
1983-84....................$ 60,800

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56. KENTUCKY NATURE PRESERVES COMMISSION

1982-83....................$ 156,600
1983-84....................$ 168,300

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83....................$ 21,691,200
1983-84....................$ 23,544,700

J. PUBLIC PROTECTION AND REGULATION

57. OFFICE OF THE SECRETARY

1982-83....................$ 228,600
1983-84....................$ 245,400

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58. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83....................$ 1,104,600
1983-84....................$ 1,171,500

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59. DEPARTMENT OF BANKING AND SECURITIES

1982-83....................$ 1,980,700

1983-84	$ 2,129,300

Notwithstanding the provision of KRS 47.130, receipts collected by the Department shall be deposited to the credit of the General Fund.

60. BOARD OF TAX APPEALS

1981-82	$ 7,400
1982-83	$ 166,000
1983-84	$ 172,300

61. DEPARTMENT OF INSURANCE

1982-83	$ 1,717,900
1983-84	$ 1,814,900

62. DEPARTMENT OF LABOR

1982-83	$ 1,301,500
1983-84	$ 1,402,900

63. REGISTRY OF ELECTION FINANCE

1982-83	$ 250,100
1983-84	$ 250,200

64. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 5,033,700
1983-84	$ 5,354,100

65. PUBLIC SERVICE COMMISSION

1982-83	$ 3,098,000
1983-84	$ 3,413,800

66. KENTUCKY STATE RACING COMMISSION

1982-83	$ 363,900
1983-84	$ 388,300

67. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 433,900
1983-84	$ 464,000

68. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 5,593,400
1983-84	$ 3,624,300

Included in the above appropriation is $360,000 in fiscal year 1982-83 and $368,600 in fiscal year 1983-84 for the Fire Department Aid as prescribed by KRS 17.210 through KRS 17.270 and KRS 95A.010 through KRS 95A.050. Also included in the appropriation is $1,951,200 in fiscal year 1982-83 for the Professional Firefighters' Foundation Program Fund and $276,100 in fiscal year 1982-83 for Volunteer Fire Department Grants. In the event that enabling legislation is enacted by the 1982 General Assembly to provide otherwise funding for workmen's compensation for volunteer firefighters, $300,000 of the above appropriation in fiscal year 1983-84 shall remain unallotted and shall lapse to the credit of the general fund.

69. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1982-83	$ 932,400
1983-84	$ 779,900

Included in the above appropriations in fiscal year 1982-83 is $209,000 to pay crime victims compensation claims outstanding on June 30, 1982.

TOTAL - PUBLIC PROTECTION AND REGULATION

1981-82	$ 7,400
1982-83	$ 22,046,100
1983-84	$ 21,205,200

K. TRANSPORTATION

70. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 1,218,800
1983-84	$ 1,373,700

Included in the above appropriation is $74,500 in fiscal year 1982-83 and $76,500 in fiscal year 1983-84 for debt service. In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $278,900 from the Transportation Fund to support the activities of the Air Regulatory and Airport Development programs, in the manner prescribed in the legislative workpapers of the 1982 General Assembly. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds for airport development projects. In the preparation of the fiscal biennium 1984-86 budget request, the Department of Transportation shall submit to the 1984 General Assembly and the Legislative Research Commission a list of airport development projects proposed for funding during that biennium, based on the most current estimates of anticipated funds, by source.

b. Rail Transportation

1982-83	$ 68,800
1983-84	$ 76,500

c. Public Transportation

1982-83	$ 506,200
1983-84	$ 634,100

In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $129,200 from the Transportation Fund for the purpose of providing ten percent (10%) of the funds required for match toward authorized capital purchases by local transit authorities. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds on capital purchases by local transit authorities.

d. General Administration and Support

1982-83	$ 432,100
1983-84	$ 463,000

In fiscal year 1982-83 and fiscal year 1983-84, in addition to the amounts appropriated above, the Department of Transportation shall allot $75,000 from the Transportation Fund to the Transportation Planning program for the administration of the Lebanon to Kane rail rehabilitation project in Taylor County and for preparation of the annual update of the statewide rail plan.

e. Highways

1) Bureau of Vehicle Regulation

1982-83	$ 3,730,400
1983-84	$ 3,960,500

Included in the above appropriation is $2,948,600 in fiscal year 1982-83 and $3,012,600 in fiscal year 1983-84 to complete the implementation of the Automated Vehicle Information System.

TOTAL - TRANSPORTATION

1982-83	$ 5,956,300
1983-84	$ 6,507,800

TOTAL - EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1981-82	$ 845,700
1982-83	$2,255,635,700
1983-84	$2,492,490,500

Floor Amendment No. 6 to Committee Substitute to **HB 295**, by Representative Williams:

Amend printed copy of Committee Substitute to **HB 295** as follows:

On page 55, delete lines 22, 23, 24, 25 and 26 in their entirety;

and on page 56, delete line 1 in its entirety; and insert in lieu thereof the following:

"Included in the above appropriations is at least $1,982,900 in fiscal year 1982-83, and at least $2,043,800 in fiscal year 1983-84, for the Primary Care Development subprogram in the Primary Care Program."

Floor Amendment No. 2 to Committee Substitute to **HB 369**, by Representative O'Brien:

Amend printed copy of Committee Substitute to **HB 369,** page 10, line 12-18 by deleting all the language following the paragraph number "*(3)*" and substituting in lieu thereof the following language:

"*Within one year from the effective date of this Chapter, any person who has practiced as a Counselor and/or marital and family therapist prior to the enactment of this Chapter, shall receive automatic licensure or certification as a Counselor and/or certified Marital and Family Therapist following the payment of the prescribed license or certificate fee, and all other Sections contained in this Chapter shall be waived.*"

Floor Amendment No. 1 to Committee Substitute to **HB 515,** by Representative Blevins:

Amend printed copy of Committee Substitute to **HB 515,** page 39, after line 25, by adding the following:

SECTION 22. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Section the term "soft drinks" shall mean and include all beverages of every kind manufactured or sold in this state, which shall be understood to include those containing less than one-half of one percent of or no alcohol, including carbonated beverages, stilldrinks, seltzer water, artificial or natural mineral waters, and all other waters used or sold for beverage purposes.

(2) As used in this Section, "wholesale sale" or "sale at wholesale" means a sale made for the purpose of resale in the regular course of business of soft drinks, but shall exclude sales between wholesalers or distributors of soft drinks.

(3) For the privilege of selling soft drinks within this state, a tax is hereby imposed on all wholesalers of such beverages at the rate of three cents (3¢) per twelve ounce bottle, can or fractional portion thereof.

(4) The department of revenue shall promulgate rules and regulations to implement the provisions of this Section.

Floor Amendment No. 3 to Committee Substitute to **HB 531,** by Representative LeMaster:

Amend printed copy of Committee Substitute to **HB 531,** page 9, line 18, following "biennium.", by inserting the following sentence:

Such fees shall not be charged for investigation of complaints.

Floor Amendment No. 3 to **HB 534,** by Representative Little:

Amend printed copy of Amendment 2 to **HB 534,** page 2, lines 12-20 by deleting lines 12 through 20 in their entirety and inserting in lieu thereof the following:

(17) "Non-extractible unmined mineral interest" means any fee simple interest in unmined minerals owned by a taxpayer who also owns the surface above the unmined minerals in fee simple and who is not engaged in the business of extracting or leasing for extraction unmined minerals. "Extractible unmined mineral interest" means all other interest in unmined minerals, including but not limited to fee simple and leasehold interests. Any taxpayer who alone or in conjunction with any other person or entity operates a company, corporation, partnership, association or other legal entity;

on page 3, lines 1-5, by deleting lines 1 through 5 in their entirety and inserting in lieu thereof the following:

that extracts unmined minerals or leases unmined minerals for extraction shall be deemed to be a taxpayer in the business of extracting or leasing for extraction unmined minerals. The existence of a single lease for the extraction of the unmined minerals shall not so deem the lessor as engaged in such business until such time as extraction of any unmined minerals from any portion of the tract occurs pursuant to the lease.;

on page 18, lines 1-14 by deleting the language beginning immediately after the "(a)" on line 1 and stopping after the "(b)" on line 14; line 17 by changing the "(c)" to (b);

page 19, line 2, by changing the letter"(d)" to (c);

line 4, by changing the letter "(e)" to (d)

lines 9 through 20, by deleting all the language on lines 9 through 20 in their entirely and inserting in lieu thereof the following:

(2) If the taxpayer offers an analysis of any core, auger, or other drilling, or any open prospect holes, benches, test data, chemical analysis or other data in order to prove qualification under this section, such analysis shall be verified by an independent qualified engineer, chemist or other expert appointed by the department of revenue, according to the acceptable standards of the particular industry. Such analysis, if so verified, shall be used as evidence of value of the unmined minerals for the surrounding area to the extent that the boundary for such area does not exceed the acceptable standards set out by the United States Bureau of Mines and the United States Geological Survey.

and on page 20, lines 1-12, by deleting all the language on lines 1 through 12 in their entirely and inserting in lieu thereof the following:

(3) If any portion of any tract of unmined minerals which qualified under this section, and is assessed at a reduced value pursuant to this section is leased for extraction or is prepared for extraction, or any well is drilled for the extraction of oil, natural gas or natural gas liquids, then that tract of unmined minerals or oil, natural gas or natural gas liquids shall be subject to deferred taxes based on the current fair cash value of the tract for the current tax year and the immediately preceding five (5) tax years, but shall not be subject to any deferred tax for any year prior to the effective date of enactment of this Act.

Floor Amendment No. 3 to **HB 657,** by Representative LeMaster:

Amend printed copy of **HB 657,** page 65, lines 4 and 5, as follows:

by deleting line 4 in its entirety; and

by deleting line 5 in its entirety.

Floor Amendment No. 4 to Committee Substitute to **HB 657,** by Representative LeMaster:

Amend printed copy of Committee Substitute to **HB 657,** page 90, lines 1 and 2 as follows:

by deleting line 1 in its entirety;

and by deleting line 2 in its entirety.

Floor Amendment No. 5 to Committee Substitute to **HB 657,** by Representative LeMaster:

Amend printed copy of Committee Substitute to **HB 657,** page 90, by deleting lines 2 and 3 in their entirety.

Floor Amendment No. 1 to **HB 684,** by Representative B. Smith:

Amend printed copy of **HB 684,** page 1, lines 4 and 5 by deleting all material on line 4 and "*department of geography*" on line 5.

Page 1, line 15, by deleting the colon and adding the following after "*shall*":

"*coordinate requests for services and information and shall utilize the resources and skills available through the cooperative efforts of the departments of geography in the state's senior institutions of higher education.*"

Page 1, line 16 through 21, by deleting all material;

and page 2, line 1 through 8, by deleting all material.

Floor Amendment No. 1 to **HB 704,** by Representative Morris:

Amend printed copy of **HB 704,** page 4 after line 12 by adding the following:

"(5) This section shall not apply to a single-family dwelling in which the owner resides and the property upon which the dwelling is situated."

Floor Amendment No. 2 to **HB 704,** by Representative Nett:

Amend printed copy of **HB 704,** pages 1-4, lines 1-26, by deleting everything following the enacting clause and inserting in lieu thereof the following:

KRS 376.010 is hereby repealed.

Floor Amendment No. 1 to Committee Substitute to **HB 783,** by Representative Cline:

Amend printed copy of Committee Substitute to **HB 783,** on page 2, line 14, after "*(4)*" by inserting the following language:

"In the event an emergency situation exists or a natural disaster occurs which would cause a county to expend more than fifty percent (50%) of its rural secondary allotment, the fiscal court shall notify the bureau of highways of the emergency situation. The bureau of highways shall aid the affected county by allocation of the necessary funds to correct the situation. Such allocation shall not be charged against the rural secondary or county road allotment of the affected county.
(5)"

Floor Amendment No. 2 to **HB 821,** by Representative Williams:

Amend printed copy of **HB 821,** page 1, lines 1 and 2 as follows:

on page 1, lines 1 and 2, by deleting those lines in their entirety and inserting in lieu thereof the following:

"SECTION 1. KRS CHAPTER 273A IS ESTABLISHED AND A NEW SECTION THEREOF CREATED TO READ AS FOLLOWS:"

and on page 2, line 19; page 3, lines 4, 15, and 23; page 5, line 3, page 6, lines 11 and 19; page 8, line 18; page 9, lines 10 and 18; page 10, line 12, page 11, line 12; page 12, lines 10 and 21; page 13, lines 16 and 22, page 14, line 18; page 15, lines 6, 14 and 24; page 16, lines 8 and 19; page 17, lines 1 and 14; page 18, line 10, page 19, lines 4 and 15; page 20, lines 1 and 14; page 23, lines 15 and 20; page 25, line 6; page 26, line 20; page 28, line 26; page 29, line 26; page 31, line 15; page 32, line 26; page 33, lines 15 and 26; page 34, lines 8, 13, 20, and 26; page 35, line 7; page 36, lines 9 and 24, by changing "272" to "273A"; and

and on page 37, lines 2 through 26, by deleting those lines in their entirety and inserting in lieu thereof the following:

"SECTION 47. A NEW SECTION OF KRS CHAPTER 273A IS CREATED TO READ AS FOLLOWS:

Nothing in this Act shall be construed to affect the rights, privileges, activities, business, or other operations of agriculture and livestock cooperatives organized pursuant to KRS 272."

and on page 38, lines 1 through 3, by deleting those lines in their entirety and inserting in lieu thereof the following:

"SECTION 48. A NEW SECTION OF KRS CHAPTER 273A IS CREATED TO READ AS FOLLOWS:

(1) Any corporation, association or company using the word "cooperative" as part of its name in violation of this chapter shall be fined not less than fifty dollars ($50) nor more than one thousand dollars ($1,000), and may be enjoined from doing business under that name by any corporation, or stockholder thereof, organized under this chapter.

(2) Any individual or any corporation whose officers or employes knowingly induce or attempt to induce any member to break his marketing contract with an association or who maliciously and knowingly

spreads false reports about the finances or management of any association shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense, and shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred dollars ($500) for each offense.

(3) Any person conducting a warehouse in this state who persuades or permits any member of any association to breach his marketing contract with the association by receiving his products for sale, auction or display contrary to the terms of any marketing contract of which the offender has notice shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred dollars ($500) for each offense, and shall also pay the association a reasonable attorney's fee and all the costs of the action against him. The association may obtain an injunction against such warehouseman to prevent further breaches and a multiplicity of actions."

and on page 39, lines 10 through 17, by deleting those lines in their entirety.

Floor Amendment No. 7 to **SB 2,** by Representative Ellington:

Amend printed copy of **SB 2,** page 1, line 10 as follows:

on page 1, line 10, before the word "*Any*" by inserting the following: "*It is recommended that*"

and on page 1, line 19, by deleting "*shall*";

and on page 2, lines 9 through 19, by deleting those lines and inserting in lieu thereof:

"*(6) KRS 189.990 and 189.993 to the contrary notwithstanding, there shall be no penalty for violation of this section. No peace officer shall issue a citation, uniform citation, or make an arrest for violation of this section.*"

Floor Amendment No. 1 to **SB 96,** by Representative Burnette:

Amend printed copy of **SB 96,** page 2 after line 19, by adding:

"Section 2. KRS 304.9-040 is amended to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to[~~:~~

~~(a)~~] An attorney while licensed to practice [~~and actively practicing~~] law in this state[~~; or~~

~~(b) An insurance actuary, and as such a member or associate of the society of actuaries or academy of actuaries.~~

~~(c) An employe who is an employe of a corporation other than an insurance company which provides actuarial services provided such corporation employs on a full time basis one or more members of the society of actuaries or academy of actuaries~~].

(2) A "general lines consultant" is one licensed as a consultant as to any one or more of the following kinds of insurance:

(a) Casualty insurance.
(b) Property insurance.
(c) Surety insurance.
(d) Marine and transportation insurance.
(e) [~~Title insurance.~~
~~(f)~~] Health insurance.
(f)[~~(g)~~] Mortgage guaranty insurance.

(3) A "life *and health* consultant" is one licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 3. KRS 304.9-080 is amended to read as follows:

(1) No person shall in this state be, act as, or hold himself out as an agent, solicitor, consultant, or adjuster (other than company staff adjusters) unless then licensed as an agent, solicitor, consultant, or adjuster respectively.

(2) No agent, or solicitor shall solicit or take applications for, procure or place for others any kind of insurance as to which he is not then licensed. No consultant shall act as such with respect to any kind of insurance as to which he is not then licensed as a consultant.

(3) A consultant license must cover either or both of the following categories, as selected by the licensee:

(a) General lines.

(b) Life *and health* [~~insurance, annuities and health insurance~~].

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category[~~, and shall not be licensed as an agent or solicitor~~].

(4) *No person licensed as a consultant shall act as a consultant until he has filed with the commissioner a bond or insurance as prescribed in KRS 304.9-330.*

(5) Except as provided in KRS 304.9-410, no agent shall place any insurance with any insurer as to which he does not then hold a license and appointment as agent under this subtitle.

(6)[~~(5)~~] The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 4. KRS 304.9-330 is amended to read as follows:

(1) Every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:

(a) The certificate of an insurer authorized to write a legal liability insurance in this state, that such insurer has and will keep in effect on behalf of such a person a policy of insurance covering the legal liability of such licensed person as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and enuring to the benefit of any aggrieved party as the result of any single such occurrence in the sum of not less than ten thousand dollars ($10,000) and fifty thousand dollars ($50,000) in the aggregate for all such occurrences within one (1) year, and that such policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or

(b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write such business in this Commonwealth, in the sum of ten thousand dollars ($10,000) which shall be subject to lawful levy of execution by any party to whom the licensed person has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant [~~, a bond issued by an authorized surety insurer in favor of the commonwealth of Kentucky, continuous in form and providing for aggregate liability of $5,000~~].

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as such licensee.

(3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 5. KRS 304.9-350 is amended to read as follows:

(1) A consultant *who is also licensed as an agent* shall not, directly or indirectly, receive or share in *both a fee and other* [~~any commission or~~] compensation paid, directly or indirectly, *from an insured* [~~by~~] any insurer with respect to any insurance or annuity contract procured, renewed, continued, modified, terminated, or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee under *this* [~~his~~] license *or any license issued under this code; but this subsection shall not preclude any consultant or agent from receiving or sharing in both a fee and other compensation for services rendered in connection with the administration of a pension, profit-sharing, group life insurance, group health insurance, or deferred compensation plan.*

(2) If the licensee has received or is to receive any fee, commission, or compensation from the insured or proposed insured, or from any other person other than the insurer, directly or indirectly, with respect to any insurance transaction or proposed insurance transaction, or with respect to any insurance or annuity contract existing or proposed, it shall conclusively be presumed that the licensee was acting as a consultant with respect to such transaction or contract.

(3) *No person licensed as a consultant under this section may receive any fee, commission or thing of value for examining, appraising, reviewing or evaluating any insurance policy, bond, annuity or pension or profit-sharing contract, plan or program or for making recommendation or giving advice with regard to any of the above, unless such compensation is based upon a prior written agreement signed by the party to be charged and specifying or clearly defining the amount or extent of such compensation and the services to be rendered. A copy of every such agreement shall be retained by the licensee for not less than five (5) years after such services have been fully performed.*

(4) A person licensed as a consultant under this section shall disclose in the agreement to the party to be charged whether he owns an interest in an insurance agency.

(5) No person licensed as a consultant may receive any compensation, direct or indirect, as a result of:

(a) The sale of insurance or annuities to; or

(b) The use of securities or trusts in connection with pensions for any person to whom any such licensee has performed any related consulting service for which he has received a fee or contracted to receive a fee within the preceding twelve (12) months unless such compensation is provided for in the agreement required.

(6) No person licensed as an insurance consultant under this section may be an executive in, or employe of, or own stock which gives him a majority interest, direct or indirect, in any authorized insurer. No consultant may recommend or encourage the purchase of insurance, annuities, or securities from any authorized insurer in which any member of his immediate family holds an executive position or holds a majority interest [~~In addition to any applicable suspension, revocation, or refusal to continue the licensee's license, violation of this section shall, upon conviction, be punishable by a fine of not over $5,000 or by imprisonment for not more than one (1) year, or by both such fine and imprisonment~~].

Section 6. KRS 304.9-420 is amended to read as follows:

No agent, [~~or~~] solicitor *or consultant* shall directly or indirectly share his commission or other compensation received or to be received on account of a transaction under his license with any person not also licensed as agent, [~~or~~] solicitor *or consultant* under this subtitle as to the kinds of insurance involved in the transaction. This provision shall not affect personal use of such commissions or compensation, or payment of the regular salaries due employes of an agent *or consultant*, or distribution in regular course of business of compensation and profits among members or stockholders of licensee firms or corporations.

SECTION 7. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No insurer, insurance agent, surplus lines broker, solicitor, adjuster, or consultant shall pay directly or indirectly, any commission, brokerage, or other valuable consideration to any person for services as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant within this state, unless such person held at the time such services were performed a valid license for that line of insurance as required by the laws of this state for such services; nor shall any person, other than a person duly licensed by this state as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant at the time such services were performed, accept any such commission, brokerage, or other valuable consideration. Provided, that this section shall not prevent payment or receipt of renewal or other deferred commissions to or by any person entitled thereto under this section.

SECTION 8. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In addition to any applicable suspension, revocation, or refusal to continue the consultant's license, violation of KRS 304.9-350 shall, upon conviction, be punishable by a fine or not more than five thousand dollars ($5,000), or by imprisonment up to one (1) year, or by both.

Section 9. The following KRS sections are repealed:

304.9-420 Sharing of commissions.

304.9-340, Combined licensing prohibited.

Floor Amendment No. 1 to **SB 220**, by Representative Boswell:

Amend printed copy of **SB 220**, page 5, line 13, after the word "engineering." by deleting the remainder of the line; and by deleting line 14 in its entirety; and inserting in lieu thereof the following language:

"*Engineers in training who are currently in the process of acquiring their experience will be allowed to take their professional engineering examination at the time when their experience requirements are met. Applications for engineers in training will be accepted until July 1, 1983, and those who are granted this status will be allowed to be licensed under this paragraph. No further application will be accepted after July 1, 1983, and licensing under this paragraph shall cease when all the candidates accepted shall meet the requirements.*"

Floor Amendment No. 2 to **SB 277**, by Representative Nett:

Amend printed copy of **SB 277**, page 3, after line 11, by inserting the following:

SECTION 5. A NEW SECTION OF KRS CHAPTER 153 IS CREATED TO READ AS FOLLOWS:

It is the intention of the general assembly to provide the people of Kentucky with useful and practical information on subjects relating to agriculture and home economics. For the purposes of providing such information, the conclusions from the Murray State University study of "Public Welfare Aspects of Dairy Policy" are hereby expressly made applicable to the milk marketing law and to the Milk Marketing and Antimonopoly Commission of this state.

Floor Amendment No. 2 to **SB 291,** by Representative Clarke:

Amend printed copy of **SB 291,** page 1, line 1, by inserting the following language before the word "The" on line 1:

SECTION 1.;

Page 3, after line 21, by adding the following language:

SECTION 2. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

(1) The total number of permanent full-time personnel employed in agencies of the executive branch shall not exceed thirty-three thousand (33,000).

(2) The provisions of subsection (1) of this section do not apply to employees of the general assembly, the legislative research commission or the court of justice.

Floor Amendment No. 1 to **SB 341,** by Representative Morris:

Amend printed copy of **SB 341,** page 5, line 9, by deleting the words "*in cities of the*"

and on line 10 by deleting the words "*first class*";

and on lines 23 through 26 by deleting lines 23 through 26 in their entirety;

and on page 6, lines 1 through 14 by deleting lines 1 through 14 in their entirety;

and on line 22 by deleting the words "*or the levying and collection of*";

and on line 23 by deleting the words "*taxes for such purpose in the fiscal year,*"; and on page 7, line 19 by deleting the words "*or levy of the tax*".

Representative Endicott moved that **HJR 75** be made the first order of business, March 24, 1982.

Adjournment

Representative T. Jones moved that the House adjourn until 2:00 p.m., Wednesday, March 24, 1982.

On the roll call the vote was yeas 53-Arnold, Barrows, Bendl, Blandford, Boswell, Burch, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Deskins, Donnermeyer, Dunn, Farrow, Guenthner, Haering, Hancock, Head, Hines, Johnson, T. Jones, Kidd, Lefevers, LeMaster, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Worthington, Yates. Nays 15-Allen, Blevins, Caldwell, Endicott, Ford, Heleringer, Holbrook, Holloway, Layman, Lile, Long, Patrick, Schmidt. F. Smith, Turner.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 24, 1982

FIFTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

The Lord's Prayer was sung by Linda Buie, Uptown Deliverance Church, Cincinnati, Ohio.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Holloway.

Representative Brinkley moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 23, 1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

HB 119, HB 357, HB 396, and **HB 731** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Senate Message

Announcing passage of **HB 106** with Senate Amendment, **HB 139** with Senate Amendments, **HB 290** with Senate Amendment, **HB 301** with Senate Amendments, **HB 311** with Senate Amendment, **HB 745** with Senate Amendments, **HB 206, HB 346,** and **HB 572.**

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bills and Resolutions:

Health and Welfare: **SB 111.**

Education: **SB 123.**

Report of Committees

The Committee on Rules reported **HB 412, HB 622, HB 580, SB 31, SB 74, SB 203, SB 206, SB 77,** and **SB 348** have been posted for passage in Orders of the Day, March 25, 1982.

Posting of Bills and Resolutions for Consideration

The Committee on Banking and Insurance reported **SB 231** had been posted for Committee consideration.

Report of Committees (continued)

The Committee on Judiciary-Civil reported **SB 29** with Committee Amendment attached thereto, **SB 149** with Committee Amendment attached thereto, **SB 230,** with Committee Amendment attached thereto, **SB 289, SB 354, SB 366** with Committee Substitute attached thereto, and **SB 383** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 29, AN ACT relating to paternity.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 406.081 is amended to read as follows:

The court *may and upon request of a party* [~~, upon timely motion of the defendant,~~] shall order the mother, child and alleged father to submit to blood tests. If the mother refuses for herself or on behalf of the child to submit to such tests, the court may resolve the question of paternity against *her* [~~the complainant~~] unless such action is brought by an agency substantially contributing to the support of the child. *If the alleged father refuses to submit to such tests, the court, if tried without a jury, or the jury, if tried with a jury, may resolve the question of paternity. In lieu of resolving the question of paternity against the party refusing to obey the court's order, the court may punish the party who refuses to obey the order for contempt of court.*

Committee Amendment No. 1 to **SB 29** is as follows:

Amend printed copy of **SB 29** on page 1, line 13, by inserting before the period after "*paternity*" the following: "*against him, provided sufficient evidence of paternity otherwise exists*"; and

on page 1, line 13, by deleting "*In lieu of resolving*"; and

on page 1, by deleting lines 14, 15 and 16 in their entirety.

SB 149, AN ACT relating to statutory liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 376.275 is amended to read as follows:

(1) Any person engaged in the business of storing or towing motor vehicles, shall have a lien on the motor vehicle, for the reasonable or agreed charges for storing or towing the vehicle, as long as it remains in his possession. If after a period of sixty (60) days the reasonable or agreed charges for storing or towing a motor vehicle have not been paid, the motor vehicle may be sold to pay the charges after the owner *and any other person known to have any interest therein* has been notified by registered letter of the time and place of the sale. This lien shall be subject to prior recorded liens.

(2) This lien shall apply to vehicles towed or stored pursuant to the order of any law enforcement officer, provided that the order is lawful and further provided that the owner of any vehicle so towed or stored be notified within five (5) days of the location of the vehicle and the amount of the towing and storage charges.

(3) The notification referred to in subsection (2) of this section shall be by certified mail, return receipt requested, to the owner's address on the certificate of title and registration for the vehicle. Notification properly mailed to said address shall be deemed to have been received.

Section 2. KRS 376.280 is amended to read as follows:

(1) Any boat or motor vehicle remaining in the possession of a person who has made repairs, *stored, towed, moored,* performed labor or furnished accessories or supplies therefor and to whom the charges for such repairs, *storage, towage, moorage,* labor, accessories or supplies has been owing for a period of more than *sixty (60)* [~~thirty (30)~~] days, may be sold to pay such deferred purchase money or charges. The proposed sale shall be advertised pursuant to KRS chapter 424, and notice thereof shall be sent by certified mail, return receipt requested or by registered mail to the owner of the boat or motor vehicle and to any other person known to have any interest therein, addressed to such persons at their last known addresses, at least ten days before the sale is held.

(2) The term "boat," as used in subsection (1) of this section, means any watercraft not enumerated in subsection (1) of KRS 376.360 and sloops having an overall length of forty feet or less.

Committee Amendment No. 1 to **SB 149** is as follows:

Amend printed copy of **SB 149** on page 1, line 3, by deleting "*(1)*"; and

on page 1, by deleting lines 14 through 21 in their entirety; and

on page 2, by deleting lines 1 through 4 in their entirety.

SB 230, AN ACT relating to pre-judgment remedies and enforcement of judgments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 425.011 is amended to read as follows:

(1) Upon filing of the complaint or at any time prior to judgment, in an action to recover the possession of specific personal property, the plaintiff may apply pursuant to this chapter for a writ of possession by filing a written motion for the writ with the court in which the action is brought.

(2) The motion shall be executed under oath and shall include all of the following:

(a) A showing of the basis of the plaintiff's claim and that the plaintiff is entitled to possession of the property claimed. If the basis of the plaintiff's claim is a written instrument, a copy of the instrument shall be attached.

(b) A showing that the property is wrongfully detained by the defendant, of the manner in which the defendant came into possession of the property, and, according to the best knowledge, information, and belief of the plaintiff the reason for the detention.

(c) A particular description of the property and a statement of its value. *A description of property sufficient under KRS 355.9-110 shall meet the requirement of this section. Each individual item of security need not be valued so long as said items may be valued as a class or group.*

(d) A statement, according to the best knowledge, information and belief of the plaintiff, of the location of the property and if the property, or some part of it, is within a private place which may have to be entered to take possession a showing that there is probable cause to believe that such property is located there. Although such showing may be based on information and belief the judicial officer at the hearing herein provided must be presented with facts sufficient to show that the information and the informant are credible and reliable.

(e) A statement that the property has not been taken for a tax assessment, or fine, pursuant to a statute; or seized under an execution against the property of the plaintiff; or if so seized, that it is by statute exempt from such seizure.

(3) The requirements of subsection (2) of this section may be satisfied by one or more affidavits filed with the application.

Section 2. KRS 425.012 is amended to read as follows:

(1) *(a)* Before a writ of possession shall issue by the clerk, the person seeking the writ must first make a demand in writing at or after the time the suit is filed, by delivering such demand and a copy of the complaint, motion and summons to the defendant or by sending them to him by registered or certified mail, return receipt requested, to the last known place of residence, at least seven (7), *and ten (10) if sent by mail,* and not more than sixty (60) days before such order is sought. The demand shall contain a statement in substance that the defendant has seven (7) days, *or ten (10) days from the date of demand if by mail,* in which to petition the court for a hearing or in which to pay the amount claimed in the complaint in full, and that unless a hearing is set or the amount paid, a writ of possession will issue. The statement shall identify the court in which the suit has been filed, the grounds therefor, the date of the demand, the amount claimed, and the name and address of the plaintiff and his attorney. An affidavit of the plaintiff or his attorney evidencing compliance with this subsection shall be filed before a writ shall be issued.

(b) The demand and notice shall provide the defendant with sufficient information so that he can reasonably have an opportunity to request a hearing.

(2) The writ of possession shall be issued by the clerk upon compliance with subsection (1) of this section unless the defendant has requested a hearing, in which case a hearing shall be conducted pursuant to KRS 425.031.

Section 3. KRS 425.031 is amended to read as follows:

Upon request of a party in interest, the judicial officer shall conduct a hearing at which each party shall be provided the opportunity to present witnesses on his behalf and to cross-examine adverse witnesses. The parties shall have the right to compel the attendance of witnesses by subpoena and to be represented at the hearing by counsel. The judicial officer shall make his determination upon the evidence adduced at the hearing.

Section 4. KRS 425.046 is amended to read as follows:

(1) The writ of possession shall meet all of the following requirements:

(a) The writ shall be directed to the sheriff;

(b) The writ shall describe the specific property to be seized *in accordance with KRS 425.011(2)(c)*;

(c) The writ shall specify any private place that may be entered to take possession of the property or some part of it; and

(d) The writ shall direct the sheriff to levy on the property pursuant to KRS 425.091 if found and to retain it in his custody until released or sold pursuant to KRS 425.101.

(2) The writ shall inform the defendant that he has the right to obtain redelivery of the property by filing a bond with one or more sufficient sureties as prescribed by KRS 425.116 or that he has the right to except to the sureties upon the plaintiff's bond, a copy of which shall be attached to the writ.

(3) The writ may at any time before judgment be directed to any county for the delivery of the property claimed.

Section 5. KRS 425.091 is amended to read as follows:

(1) Except as otherwise provided in this section, upon receipt of the writ of possession the levying officer shall search for and take custody of the specified property, if it be in the possession of the defendant or his agent, either by removing the property to a place of safe keeping or upon order of the judicial officer by installing a keeper.

(2) If the specified property is used as a dwelling, levy shall be made by placing a keeper in charge of the property for two days at the plaintiff's expense, after which period the levying officer shall remove the occupants and any contents not specified in the writ and shall take exclusive possession of the property.

(3) If the specified property or any part of it is in a private place, the levying officer shall at the time he demands possession of the property announce his identity, purpose and authority. If the property is not voluntarily delivered, the levying officer may cause any building or enclosure where the property may be located to be broken open in such a manner as he reasonably believes will cause the least damage and may call upon the power of any other law enforcement officers of the county to aid and protect him, but, if he reasonably believes that entry and seizure of the property will involve a substantial risk of death or serious bodily harm to any person he shall refrain from seizing the property and shall promptly make a return to the court from which the writ issued setting forth the reasons for his belief that the risk exists. In such case, the judicial officer shall make such orders as may be appropriate.

(4) Nothing in this section authorizes the levying officer to enter or search any private place not specified in the wirt of possession or other order of the judicial officer, *unless the property to be levied upon is clearly visible to the levying officer and is a type of property subject to be moved quickly to another location.*

(5) Upon motion of the plaintiff, and for good cause shown, the court shall have the authority to appoint officers of the Kentucky state police, or other law enforcement agencies, to levy writs of possession and serve orders issued under this chapter.

Section 6. KRS 425.101 is amended to read as follows:

(1) After the levying officer takes possession pursuant to a writ of possession, he shall keep the property in a secure place. Except as otherwise provided by KRS 425.081:

(a) If bond with sufficient surety for redelivery is not filed and plaintiff's sureties are not excepted to, the sheriff shall deliver the property to plaintiff ten (10) days after levy of the writ of possession, upon receiving his fees for taking and necessary expenses for keeping the property.

(b) If a bond with sufficient surety is filed within ten (10) days after levy of the writ of possession and defendant's sureties are not excepted to, the sheriff shall redeliver the property to defendant upon expiration of the time to so except, upon receiving his fees for taking and necessary expenses for keeping the property not already paid or advanced by the plaintiff.

(c) If the plaintiff's sureties are excepted to, or if a bond for redelivery is filed within ten (10) days after levy of the writ of possession and defendant's sureties are excepted to, the sheriff shall not deliver or redeliver the property until the time provided in KRS 425.121.

(2) Notwithstanding subsection (1), where not otherwise provided by contract, upon a showing that the property is perishable or will greatly deteriorate or depreciate in value or for some other reason that the interests of the parties will best be served thereby, the judicial officer may order that the property be sold and the proceeds deposited in the court to abide the judgment in the action.

(3) If it is impractical, or impossible, for the sheriff to retain possession and control of the property levied upon, he may:

(a) Immediately, upon seizure, place the property in the hands of the plaintiff, who shall be required to keep the property in a secure place and manner within the Commonwealth of Kentucky for the mandatory ten (10) day holding period, subject to all provisions of paragraphs (1)(b) and (c) of this section excepting those of expenses and fees. Should the property held by the plaintiff be redeemed, ordered returned, or a defendant's bond posted, all costs of removing the property from the county in which the levy was made, cost of storage while in the hands of the plaintiff during the ten-day holding period, and costs of return to said county, shall be paid by the plaintiff.

(b) If the property levied upon shall consist of all, or substantially all, of the property within a structure or area, not used as a dwelling, and upon consent of the defendant, should the defendant be available to the sheriff, and upon the consent of the owner of the real property, if different from the defendant, the sheriff shall be authorized to levy the writ of possession by securing with locks, or other means, the place or area, and holding the property at the place or area where it is found and levied upon.

Section 7. KRS 425.116 is amended to read as follows:

(1) The defendant or any other person claiming interest in the property, may prevent the plaintiff from taking possession of property pursuant to a writ of possession or regain possession of property so taken by filing with the court in which the action was brought, a written bond executed by one or more sufficient sureties in an amount equal to either the amount of the plaintiff's bond required by KRS 425.111 or if there has been no judicial determination, the value of the property stated in the plaintiff's application for a writ of possession. The bond shall state that, if the plaintiff recovers judgment on the action, the defendant shall pay all costs awarded to the plaintiff and all damages that the plaintiff may sustain by reason of the loss of possession of the property, not exceeding the amount of the bond. The damages recoverable by the plaintiff pursuant to this section shall include all damages proximately caused by the plaintiff's failure to gain or retain possession, *up to and including the value of the property at the time the plaintiff sought the writ of possession, plus plaintiff's actual court costs expended, other necessary expenditures incurred in the levy of the writ of possession, and, if authorized by separate statute, plaintiff's reasonable attorney's fees not to exceed fifteen percent (15%) of the value of the security levied upon.*

(2) The defendant's bond may be filed at any time before or after levy of the writ of possession. A copy of the bond shall be mailed to the levying officer and to the plaintiff. A certification stating that such copies have been mailed shall be filed with the court at the time the bond is filed.

(3) The defendant's bond shall state the address to which a copy of the notice of exception to sureties may be sent.

(4) If an undertaking for redelivery is filed and defendant's sureties are not excepted to, the levying officer shall deliver the property to the defendant, or, if the plaintiff has previously been given possession of the property, the plaintiff shall deliver such property to the defendant. If a bond for redelivery is filed and defendant's sureties are excepted to, the provision of KRS 425.101 shall apply.

Section 8. KRS 425.309 is amended to read as follows:

(1) An order of attachment shall not be issued until a bond has been executed by one or more sufficient sureties of the plaintiff in an amount not less than double the amount of the plaintiff's claim.

(2) Should the defendant post a bond, with sufficient sureties, insuring compliance with a final judgment, in an amount equal to the plaintiff's claim, including court costs and attorney's fees as stated in plaintiff's complaint, the attachment shall be dissolved and any proceeds of the attachment received by the plaintiff shall be returned to the defendant.

(3) Exceptions to sureties shall be made in accordance with KRS 425.121.

Section 9. KRS 425.501 is amended to read as follows:

(1) Any person in whose favor a final judgment in personam has been entered in any court of record of this state may, upon the filing of an affidavit by him or his agent or attorney in the office of the clerk of the court in which the judgment was entered, and in the same cause in which said judgment was obtained showing the date of the judgment and the amount due thereon, and that one or more named persons hold property belonging to, or are indebted to, the judgment debtor, obtain an order of garnishment *to be served in accordance with the Rules of Civil Procedure* [~~directed to the sheriff, with as many copies as the plaintiff may direct, requiring him to summon the garnishees named in the affidavit to answer in the manner and at the time required for an answer by the Rules of Civil Procedure, and to make due return thereof. The order shall be made returnable as an order of arrest is directed to be returned~~].

(2) The judgment plaintiff shall not be required to execute bond to obtain the order.

(3) The order of garnishment shall be served on the persons named as garnishees, and in addition a copy thereof shall be delivered by the garnishee to the judgment debtor or mailed to him at his last known address.

(4) The judgment debtor may, on the return day, appear and claim the exemption of any property or debt that is exempt from execution, and on proof of exemption the garnishment shall be discharged as to the exempt property or debt.

(5) If the court finds that the garnishee was, at the time of service of the order upon him, possessed of any property of the judgment debtor, or was indebted to him, and the property or debt is not exempt from execution, the court shall order the property or the proceeds of the debt applied upon the judgment.

(6) Subsequent orders of garnishment against the same or other garnishees may be issued in the same manner until the judgment is satisfied.

(7) The provisions of KRS chapter 427 shall, as far as applicable, govern proceedings under the order.

(8) The order of garnishment shall be *served in accordance with the Rules of Civil Procedure* [~~directed and delivered to the sheriff, with as many copies thereof as the plaintiff may direct~~]. It shall [~~require the sheriff to~~] summon the garnishees to answer in the action in the manner and at the time required for an answer by the Rules of Civil Procedure[~~, and to make due return thereof~~].

Section 10. KRS 425.086 is amended to read as follows:

(1) In any case where the plaintiff has made a motion for a writ of possession under KRS 425.076 the court may in its discretion deny the motion for the writ and issue instead a temporary restraining order

under this chapter if it determines that the requirements of subsection (3) of KRS 425.076 are satisfied but that the issuance of the temporary restraining order instead of the writ of possession would be in the interest of justice and equity to the parties, taking into account the effect on the defendant of issuing a writ of possession ex parte, the effect on the plaintiff of issuing the temporary restraining order instead of the writ and other factors that bear on equity and justice under the circumstances of the particular case.

(2) If the court issues a temporary restraining order under this section, the plaintiff's motion for a writ of possession shall be treated as a motion for a writ of possession under KRS 425.011 [~~and the plaintiff shall comply with the requirements of service provided in KRS 425.021~~].

Section 11. KRS 425.021, Service of pleadings on defendant, is repealed.

Committee Amendment No. 1 to **SB 230** is as follows:

Amend printed copy of **SB 230** on page 6, line 24, by inserting the following before the period: ", *provided that in no event shall a levying officer be permitted to enter a dwelling or building not specified in the writ of possession*".

SB 289, AN ACT relating to wills.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 394 IS CREATED TO READ AS FOLLOWS:

(1) If after executing a will the testator is divorced or his marriage annulled, the divorce or annullment revokes any disposition or appointment of property made by the will to the former spouse, any provision conferring a general or special power of appointment on the former spouse, and any nomination of the former spouse as executor, trustee, conservator or guardian, unless the will expressly provides otherwise. Property prevented from passing to a former spouse because of revocation by divorce or annulment passes as if the former spouse failed to survive the decedent, and other provisions conferring some power or office on the former spouse are interpreted as if the spouse failed to survive the decedent. If provisions are revoked solely by this section, they are revived by the testator's remarriage to the former spouse.

(2) This section shall apply to wills executed on or after the effective date of this section.

Section 2. KRS 394.080 is amended to read as follows:

No will or codicil, or any part thereof, shall be revoked, except:

(1) As provided in KRS 394.090 [~~and 394.095~~];

(2) By subsequent will or codicil;

(3) By some writing declaring an intention to revoke the will or codicil, and executed in the manner in which a will is required to be executed; or

(4) By the person who made the will, or some person in his presence and by his direction, cutting, tearing, burning, obliterating, canceling, or destroying the will or codicil, or the signature thereto, with the intent to revoke.

Section 3. KRS 394.095, Divorce revokes will —Exception, is repealed.

SB 354, AN ACT relating to descent and distribution.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 391 IS CREATED TO READ AS FOLLOWS:

(1) An illegitimate person is heir of his mother and of any maternal ancestor and of any person from whom his mother might have inherited, if living; and the descendants of an illegitimate person shall represent such person and take by descent any estate which the parent would have taken, if living. If a decedent has acknowledged before a circuit court clerk of the Commonwealth that he executed the instrument declaring paternity of an illegitimate person and the circuit court clerk has executed a certificate of acknowledgement on the face of the instrument, containing the information set forth in KRS 423.160, or if during his lifetime or after his death a decedent has been adjudged to be the father of an illegitimate person, that person is heir of his father and of any paternal ancestor and of any person from whom his father might have inherited, if living; and the descendents of an illegitimate person shall represent that person and take by descent any estate which the parent would have taken, if living. If during his lifetime the

decedent was adjudged to be the father of an illegitimate person by a court of competent jurisdiction, an authenticated copy of the judgment is sufficient proof of the paternity or if he acknowledged before a circuit court clerk of the Commonwealth that he executed the instrument declaring paternity of an illegitimate person and the circuit court clerk has executed a certificate of acknowledgement on the face of the instrument, containing the information set forth in KRS 423.160, such acknowledgement is sufficient proof of paternity; but in all other cases paternity must be proved by clear and convincing evidence. A person who was illegitimate whose parents intermarry and who is acknowledged by the father as the father's child is legitimate.

(2) The estate of an illegitimate person shall descend and be distributed in the same manner as that of a person born in lawful wedlock, except that the inheritance shall not go to the father and his kindred unless paternity was determined by a court of competent jurisdiction.

Section 2. KRS 391.090 Bastards-Inheritance from and by - Effect of marriage of parents, is repealed.

SB 366, AN ACT relating to reuniting siblings after adoption.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

In situations where a pre-adoptive brother or sister relationship existed, and one (1) or more of these siblings was then adopted, the following procedures shall be followed on an inquiry by one (1) or more of the siblings to the department for human resources seeking information about his brother or sister:

(1) In all cases, an adopted person eighteen (18) years of age or older or a pre-adoptive sibling eighteen (18) years of age or older of an adopted person may file information concerning himself, his present location, and his known antecedents with the department for human resources, stating his interest in being reunited with his pre-adoptive siblings and authorizing the department to release such information to his pre-adoptive siblings who may make similar inquiry.

(2) In any case in which a person eighteen (18) years of age or older requests information about or expresses a desire in being reunited with a pre-adoptive sibling, the department shall first determine whether such sibling has made similar inquiry pursuant to subsection (1) of this section. If such sibling has previously authorized release of information about himself, the department shall release such information to the sibling making inquiry. In all other cases, upon written request of an adopted person eighteen (18) years of age or older for information concerning a pre-adoptive sibling with whom he had a pre-adoptive relationship, the department shall search the sealed adoption records in its possession for information concerning such sibling and, if possible from such information, shall contact such sibling and advise him of the request. If a pre-adoptive sibling is located through such search, such sibling shall be provided the name and address of the requesting party, and the sibling so contacted shall be the final determinant of whether to contact the requesting person or not. The department may notify the requesting party that a sibling has been located, however, no further information about such person shall be released without authorization of the person so contacted. If the department is unable to locate the pre-adoptive sibling, the department shall notify the requesting party and shall not release any identifying information about such sibling.

(3) Notwithstanding any provision of this section to the contrary, when a pre-adoptive sibling or adopted person who is under the age of majority becomes subject to the provisions of this section, the department for human resources shall contact the adoptive parents of such adopted person or pre-adoptive sibling and such adoptive parents shall have complete discretion as to whether to reveal to such pre-adoptive sibling any information disclosed as a result of the provisions of this section.

Committee Substitute to **SB 366** is as follows:

SB 366, AN ACT relating to reuniting siblings after adoption.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

In situations where a pre-adoptive brother or sister relationship existed, and one (1) or more of these siblings was then adopted, the following procedures shall be followed on an inquiry by one (1) or more of the siblings to the department for human resources seeking information about his brother or sister:

(1) In all cases, an adopted person eighteen (18) years of age or older or a pre-adoptive sibling eighteen (18) years of age or older of an adopted person may file information concerning himself, his present location, and his known antecedents with the department for human resources, stating his interest in being reunited with his pre-adoptive siblings and authorizing the department to release such information to his pre-adoptive siblings who may make similar inquiry.

(2) In any case in which a person eighteen (18) years of age or older requests information about or expresses a desire in being reunited with a pre-adoptive sibling, the department shall first determine whether such sibling has made similar inquiry pursuant to subsection (1) of this section. If such sibling has previously authorized release of information about himself, the department shall release such information to the sibling making inquiry.

SB 383, AN ACT relating to the construction of statutes and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 446.100 is amended to read as follows:

(1) A repealed section without a delayed effective date is revived when the section or act that repealed it is repealed by another statute enacted at the same session of the general assembly.

(2) A repealed section with a delayed effective date is revived by the enactment of a repealer of the section or act that repealed it at the same or any subsequent session of the general assembly as long as it takes effect prior to the effective date of the original repealer.

(3) An amended section without a delayed effective date remains unchanged with respect to an amendment which is repealed at the same session of the general assembly which enacted the amendment.

(4) An amended section with a delayed effective date remains unchanged with respect to that amendment if the section or the act making the amendment is repealed at the same or at a subsequent session of the general assembly as long as the repealing act takes effect prior to the effective date of the original amendment.

(5) No other action of the general assembly repealing a repealer or an amendment shall have the effect of reviving the original language of the repealer or amendment as the case may be [~~When a law that has repealed a former law is repealed, the former law shall not be revived unless the law repealing it is passed during the same session of the General Assembly which enacted the second repeal~~].

Section 2. This section shall be retroactive to January 1, 1982.

Section 3. Whereas, it is the intent of the general assembly to have this change in the law apply to legislation passed at the 1982 regular session of the general assembly an emergency is declared to exist and this legislation shall be effective upon its passage and approval by the governor.

The Committee on Appropriations and Revenue reported **HB 428** with Committee Substitutes attached thereto, **HCR 70** with Committee Amendments attached thereto, and **SB 216** with the Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

HB 428, AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of the lapsing or insufficiency of former appropriations against which claims were chargeable.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which said claims were chargeable, the sums hereinafter specified:

H. Garrett Adams, M.D. P. O. Box 6832 Louisville, Kentucky 40207	$ 340.00

Adver-Tek P. O. Box 12115 Lexington, Kentucky 40511	$ 99.90
American Pro Hunter - Knepshield Company P. O. Box 7626 Louisville, Kentucky 40207	$ 7,294.69
Arnold Graphic, Inc. 3717 Taylorsville Road S-128 Louisville, Kentucky 40220	$ 163.78
Belknap, Inc. P. O. Box 32900 Louisville, Kentucky 40232	$ 409.53
Berea Farm Service I-75 & Ky. 21 Berea, Kentucky 40403	$ 1,989.09
Berea Hospital, Inc. Estill Street Berea, Kentucky 40403	$ 20.00
Callis & Johnson, P.S.C. Mayfair Square Professional Bldg. Owensboro, Kentucky 42301	$ 248.00
Capital Travel Agency 116 West Main Street Frankfort, Kentucky 40601	$ 76.00
Cardinal Office Supply 576 East Main Street Frankfort, Kentucky 40601	$ 411.60
Sharon Hamer Carrier Credit & Collection, Inc. P. O. Box 19953 Kansas City, Missouri 64141	$ 31.14
Central Baptist Hospital 1740 Limestone Lexington, Kentucky	$ 261.16
C & O Railroad 2 North Charles Street Baltimore, Maryland 21201	$ 100.00
Coca Cola Bottling Company P. O. Box Drawer 389 Shelbyville, Kentucky 40065	$ 47.87
Drs. Cohen & Silk, P.S.C. 250 East Liberty Louisville, Kentucky	$ 713.00
Robert T. Crosby, M.D. 1403 Andrea Street Bowling Green, Kentucky 42101	$ 434.00

Dan's Marina U.S. 42 West Warsaw, Kentucky 41095	$ 68.40
William J. Davis Company 8050 Hosbrook Drive Cincinnati, Ohio 45236	$ 237.60
The F Stop Chris Bohmer Route 10, Grimes Mill Rd. Lexington, Kentucky 40505	$ 64.40
Fisher Scientific Company 5481 Creek Road Cincinnati, Ohio 45242	$ 171.36
Florence Crittenton Home 185 Division Street Nashville, Tennessee 37203	$ 2,167.20
General Telephone Company P. O. Box 3516 Lexington, Kentucky 40556	$ 1,082.31
Leonard A. Goddy, M.D. 801 Barrett Avenue Louisville, Kentucky 40204	$ 2,946.50
John S. Hoffman Henderson, Kentucky 42420	$ 378.80
Harriet Jane Jaggers 1963 Meadowcreek Louisville, Kentucky	$ 72.80
Donald G. Hartman 1705 Gettysburg Lexington, Kentucky	$ 26.00
Kings Daughters Hospital 2201 Lexington Avenue Ashland, Kentucky 41101	$ 248.00
Lowes of Frankfort P.O. Box N., U.S. Highway 421 S. Frankfort, Kentucky 40601	$ 4,814.46
Treasurer, Martin County Inez, Kentucky	$ 2,380.00
Moore Business Forms P.O. Box 23179 Lexington, Kentucky 40503	$ 397.80
Murphy - Hennessee, Inc. 1635 Triplett Street Owensboro, Kentucky 42301	$ 83.00
Ambulance Inc. of Laurel County P.O. Box 45 London, Kentucky 40741	$ 51.00

The Old Ky. Home Country Club, Inc. P.O. Box 407 Bardstown, Kentucky 40004	$ 4,039.76
Pathology & Cytology Laboratories 2370 Nicholasville Road Lexington, Kentucky 40503	$ 303.00
Pepsi - Cola Bottling Co. 1333 Versailles Road Lexington, Kentucky 40504	$ 302.95
Power Unlimited 616 Myrtle Street Louisville, Kentucky 40208	$ 57.00
Tyra Brumbeck Jackson County	$ 163.42
Roger Collins Perry County	$ 185.35
Plumbers Supply Company P.O. Box 7133 Lexington, Kentucky 40502	$ 297.59
Rankin & Rankin 434 Scott Street Covington, Kentucky 41011	$ 8,157.50
Frank Reaves, Jr. Suite 310, 1st National Bldg. Lexington, Kentucky 40507	$14,487.84
Red Bird Hospital Clinic Beverly, Kentucky 40913	$ 55.25
John Schwab, M.D. University of Louisville Health Sciences Center School of Medicine Louisville, Kentucky 40292	$ 250.00
Scott Gross Co., Inc. 664 Magnolia Avenue Lexington, Kentucky 40505	$ 508.00
South Central Bell Louisville, Kentucky	$34,435.61
Carolyn Starbuck 537 Fogo Court Lexington, Kentucky	$ 16.00
Sun Information Services of Ky., Inc. 656 E. Swedesford Road Wayne, Pa. 19087	$ 4,065.18
Surgical Heart Group 718 Medical Towers, North Louisville, Kentucky 40202	$ 2,723.00

Travenol Laboratories, Inc. Artificial Organs P.O. Box 95683 Chicago, Illinois 60694	$ 651.86
University Surgical Associates P.O. Box 34004 Louisville, Kentucky 40232	$ 2,281.50
Jackie Sue Warner 105 Elkhorn MHP Frankfort, Kentucky 40601	$ 12.00
Webb & Geevarghese, PSC Children's Foundation Building 601 South Floyd St. Louisville, Kentucky 40202	$ 345.00
Carl Wedekind, Jr. 3400 First National Tower Louisville, Kentucky 40202	$ 1,673.65
Don K. Weedman Box 71 Banner, Kentucky	$ 163.00
Norman B. Wiggam Box 178 New Washington, Indiana 47162	$ 753.27
Xerox Corporation 10001 Linn Station Road Louisville, Kentucky 40223	$ 1,843.00
Xerox Corporation P.O. Box 36084 M Pittsburg, Pa. 15250	$ 350.00
J. C. Yagel Hardware 308 Ann Street Frankfort, Kentucky 40601	$ 44.86
Albright and Barkley, Inc. 1408 Versailles Road Lexington, Kentucky 40504	$ 130.27
Clark Service Company c/o Hon. Douglas Gene Sharp 601 West Main Street Louisville, Kentucky 40202	$ 4,535.16
Friend Tractor & Motor Company 511 North Broadway Georgetown, Kentucky 40324	$ 34.24
R. V. May Company P.O. Box 5228 1535 Delaware Road Lexington, Kentucky 40555	$ 505.85
Kentucky State Treasurer Capital Annex Building Frankfort, Kentucky 40601	$ 112.72

Dictaphone Corporation P.O. Box 2504 Grand Central Station New York City, New York 10017	$ 1,460.20
Bradley Asher, Jr. Route #3 Speedwell, Tennessee 37870	$ 30.42
Allen W. Barnes 9208 Bermuda Court Crestwood, Kentucky 40014	$ 1.96
Lona Barnett 508 Highview Terrace North Brandon, Florida 33511	$ 10.73
Homer R. Boyd 317 W. North Street Springfield, Ohio 45504	$ 498.00
E. C. Buchanan 943 Clay Street Hartford, Kentucky 42347	$ 22.99
Mona Burkhalter Pewee Valley, Kentucky 40056	$ 20.84
James & B. Charles Argo, Kentucky 41511	$ 53.59
John W. & Virgie Dugan Route #2 Cox's Creek, Kentucky 40013	$ 6.59
L. B. & G. S. Fairchild 435 N. Arnold Avenue Prestonsburg, Kentucky 41653	$ 13.85
Foley Construction Company 5050 Orchard Street Cincinnati, Ohio 45212	$ 1,000.00
David J. Guffey Route #3, Box 112 Albany, Kentucky 42602	$ 6.70
J. H. Harmon c/o Mrs. Lorraine Goins Bureau of State Police Frankfort, Kentucky 40601	$ 802.21
John C. & M. E. Harris 3809 Rimonte Drive Louisville, Kentucky 40220	$ 5.91
Joseph B. Henriksen 1609 Dundee Road Louisville, Kentucky 40205	$ 94.06
Albert & D. Jump Box 741, Hogreffe Road Independence, Kentucky 41051	$ 68.00

Sam King P.O. Box 237 Burnside, Kentucky 42519	$ 879.24
Paul M. Kogut 217 Dennison Street Highland Park, New Jersey 08904	$ 4,469.39
Sam L. Luttrell 6300 Southe Point Blvd. Unit 440 Fort Myers, Florida 33907	$ 21.44
Joseph E. McDougall 5301 Vista Louisville, Kentucky 40214	$ 2.64
Herbert M. & M. M. McGaughey 12214 Davidson Drive Middletown, Kentucky 40243	$ 28.00
Robert H. Melton P.O. Box 951 Clarksville, Tennessee 37040	$ 5.02
Helen A. Patton 629 Buttermilk Park Crescent Springs, Kentucky 41017	$ 3.90
Steven H. Pittleman 329 East 63rd Street Apartment 3J New York, New York 10021	$ 30.53
Harolyn H. Rasche 2929 Jefferson Street Paducah, Kentucky 42001	$ 101.34
Steve Rust Route #2, Box 258 California, Kentucky 41007	$ 11.20
John L. Shepherd Box 186 Benham, Kentucky 40807	$ 3.62
Mary R. Shoemaker 808 Cedar Street Owensboro, Kentucky 42301	$ 25.98
Bernard L. Smith 4211 Allendorf Drive, #10 Cincinnati, Ohio 45209	$ 7.05
Mary A. Smith Helms 141 Creekwood Lane Hendersonville, Tennessee 37075	$ 9.45
Anita Sutherland Route #1 Bagdad, Kentucky 40003	$ 160.54

W. H. Webb 701 Henry Clay Blvd. Lexington, Kentucky 40502	$ 30.00
Aubrey H. & H. M. Wood Box 125, Route #1 Cerulean, Kentucky 42215	$ 6.37
James H. Wrocklage 2904 Wimpole Court Louisville, Kentucky 40218	$ 2.73
Russell N. Ferguson Route #2 Hopkinsville, Kentucky 42240	$ 144.00
The Perkin - Elmer Corporation P. O. Box 95230 Chicago, Illinois	$ 2,882.75
U.S. Department of Commerce National Bureau of Standards Administration Bldg. - Room A807 Washington, DC 20234	$ 162.00
Breckinridge Sq. Apts. c/o David M. Carney 1820 Tyler Lane Louisville, Kentucky 40205	$ 273.62
R. L. Louden Route #3 Bedford, Kentucky	$ 153.09
M.S. & N.S. Edgerely 14 Hawthorn Hill Louisville, Kentucky 40204	$ 143.36

Section 2. The Department of Finance and the State Treasurer are authorized hereby to pay the following listed claims from the following funds:

(a) The Department of Labor is authorized to pay certain claims from their Agency Fund Account for employee Michael L. Roberts, the sum hereinafter specified:

Michael L. Roberts Bethlehem, Kentucky	$ 32.00

(b) The Transportation Department is authorized to make payment from the Transportation Fund, for State Treasury checks payable to the persons or their personal representatives, but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Breathitt Circuit Court Clerk Commonwealth vs. Burnice Griffith	$ 5,200.00
Breathitt Circuit Court Clerk Commonwealth vs. L. Turner Heirs	$ 200.00
C. L. Snapp c/o Department of Transportation Frankfort, Kentucky	$ 43.05

(c) Kentucky Retirement Systems is authorized to make payment from the Retirement Fund, for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Hazel Savage 246 Chenault Road Lexington, Kentucky 40502	$ 105.39
H. B. Terhune 158 Mock Court Harrodsburg, Kentucky 40330	$ 22.57
Gayle T. Brooks 843 Craig Street Covington, Kentucky 41011	$ 47.89
Harold M. Lyons 3231 N. Talbort Erlanger, Kentucky 41018	$ 15.49
Norman E. Niece 1630 Banklick Street Covington, Kentucky 41011	$ 1.37
Robert G. Ross 1408 Greenup Street Covington, Kentucky 41011	$ 39.94
Joseph L. Scivnor 218 West 34th Street Covington, Kentucky 41015	$ 21.50
Jerry W. Sowders 6180 Decoursey Park Covington, Kentucky 41015	$ .91
Estate of Edith M. David c/o Mr. Brian Borellis Geralds, Cassidy and Maloney 605 Court House Building 107 Cheapside Lexington, Kentucky 40507	$ 101.87

Section 3. Because some of the claims specified in this Act have been pending for substantial lengths of time, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Amend printed copy of Committee Substitute for **SB 216** on page 3, line 9, by deleting the number "*17*" and inserting in lieu thereof the number "*14*"; and

on lines 12 through 19, by deleting subsection (1) of Section 2 in its entirety and inserting in lieu thereof the following subsection (1):

"*(1) There may be established within each judicial district court region a foster care citizen review board to be appointed by the chief regional district judge. The chief regional district judge may authorize the creation of additional local citizen review boards as needed.*"; and

on line 20, by adding after the number "*(2)*" the words "*Where established,*" and by deleting the word "*Members*" and inserting in lieu thereof the word "*members*"; and on line 21, by adding after the word "*chief*" the word "*regional*"; and

on line 21, by deleting the word "*counties*" and inserting in lieu thereof the word "*districts*"; and

on line 22, by deleting the words "*in the district.*"; and

on line 23, by adding after the number "*(3)*" the words "*Where estabished,*" and by deleting the word "*Member*" and inserting in lieu thereof the word "*members*"; and

on page 4, line 14, by adding after the word "*chief*" the word "*regional*; and

on line 26, by adding after the number "*(5)* the words "*Where estabished,*" and by deleting the word "*Each*" and inserting in lieu thereof the word "*each*"; and

on page 5, line 3, by adding after the number "*(6)*" the words "*Where established,*" and by deleting the word "*Each*" and inserting in lieu thereof the word "*each*"; and

on line 4, by deleting the word "*court*" and inserting in lieu thereof the words "*chief regional district judge*"; and

on lines 8 through 11, by deleting subsection (7) of Section 2 in its entirety; and

on line 15, by deleting the word "*shall*" and inserting in lieu thereof the word "*may*"; and

by deleting lines 23 through 26 in their entireties; and

on page 6, by deleting line 1 in its entirety; and

on line 2, by adding the number "*(1)*" before the word "*Training*"; and

on line 4, by deleting the number "*18*" and inserting in lieu thereof the number "*15*"; and

on lines 5 through 7 by deleting subsection (2) of Section 4 in its entirety; and

on line 8, by deleting the number "*(3)*" and inserting in lieu thereof the number "*(2)*"; and

on line 10, by adding after the word "*chief* the word "*regional*"; and

on page 7, line 10, by adding after the word "*board*" the words "*where estabished*"; and

on page 9, line 25, by adding after the word "*board*" the words "*where established*"; and

on page 15, lines 5 through 24, by deleting subsections (1), (2) and(3) of Section 14 in their entireties and inserting in lieu thereof the following:

"*(1) There is hereby established a state citizen review board. The state citizen review board shall consist of all chairmen of the local citizen review boards.*"; and

on line 25, by deleting the number "*(4)*" and inserting in lieu thereof the number "*(2)*"; and

on page 16, line 2, by deleting the number "*(5)*" and inserting in lieu thereof the number "*(3)*; and

on line 2, by deleting the words "*at a*"; and

on line 3, by deleting the words "*place designated by the chief justice*"; and

on line 6, by deleting the number "*(6)* and inserting in lieu thereof the number "*(4)*"; and

on line 6, by deleting the word "*shall*" and inserting in lieu thereof the word "*may*"; and

on page 17, lines 8 through 12, by deleting subsection (1) of Section 16 in its entirety; and on line 13, by deleting the number "*(2)*" and inserting in lieu thereof the number "*(1)*; and

on line 14, by deleting the word "*shall*" and inserting in lieu thereof the word "*may*"; and

on line 16, by deleting the number "*(3)*" and inserting in lieu thereof the number "*(2)*".

The Committee on Appropriations and Revenue reported **SB 129** and **SB 248** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 129, AN ACT relating to medical assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.510 is amended to read as follows:

As used in this chapter as it pertains to medical assistance unless the context clearly requires a different meaning:

(1) "Council" means the advisory council for medical assistance;

(2) "Dentist" means a person authorized to practice dentistry under laws of the Commonwealth;

(3) "Medical care" as used in this chapter means essential medical, surgical, dental, optometric, podiatric, and nursing services, in the home, office, clinic, or other suitable places, which are provided or prescribed by physicians, optometrists, podiatrists or dentists licensed to render such services, including drugs and medical supplies, appliances, laboratory, diagnostic and therapeutic services, nursing home and convalescent care, hospital care as defined in KRS 205.560(1)(a), and such other essential medical services and supplies as may be prescribed by such persons; but not including abortions, or induced miscarriages or premature births, unless in the opinion of a physician such procedures are necessary for the preservation of the life of the woman seeking such treatment or except in induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child. However, this section does not authorize optometrists to perform any services other than those authorized by KRS chapter 320;

(4) "Nurse" means a person authorized to practice professional nursing under the laws of the Commonwealth;

(5) "Nursing home" means a facility which provides routine medical care in which physicians regularly visit patients, which provide nursing services and procedures employed in caring for the sick which require training, judgment, technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care, and which is licensed pursuant to the provisions of KRS 216B.015;

(6) "Optometrist" means a person authorized to practice optometry under the laws of the Commonwealth;

(7) "Pharmacist" means a person authorized to practice pharmacy under the laws of the Commonwealth;

(8) "Physician" means a person authorized to practice medicine or osteopathy under the laws of the Commonwealth;

(9) "Podiatrist" means a person authorized to practice podiatry under the laws of the Commonwealth;

(10) "Primary care center" means a facility which provides comprehensive medical care with emphasis on the prevention of disease and the maintenance of the patients' health as opposed to the treatment of disease;

(11) "Public assistance recipient" means a person who has been certified by the bureau for social insurance of the department for human resources as being eligible for, and a recipient of, public assistance under the provisions of this chapter;

(12) "Other persons eligible for medical assistance" may include the categorically needy excluded from money payment status by state requirements and classifications of medically needy individuals as permitted by federal laws and regulations and as prescribed by regulation of the secretary for human resources or his designee;

(13) "Vendor payment" means a payment for medical care which is paid by the department for human resources directly to the authorized person or institution which rendered medical care to an eligible recipient;

(14) "Third party" means an individual, institution, corporation, company, insurance company, personal representative, administrator, executor, trustee, or public or private agency, including but not limited to a reparation obligor and the assigned claims bureau under the motor vehicle reparation act, who is or may

be liable to pay all or part of the medical cost of injury, disease, or disability of an applicant or recipient of medical assistance provided under title XIX of the Social Security Act;

(15) "Optional services" shall mean intermediate care, pharmacy, dental for medical assistance recipients over age twenty-one (21), medicare premiums, community mental health, mental hospitals, renal services, primary care, and podiatry; as permitted by federal laws within the scope of Title XIX of the Social Security Act, its amendments and federal regulations; and as prescribed by regulation of the secretary for human resources or his designee.

SECTION 2. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) The secretary for human resources shall specify an amount for each optional service in the budget request developed and transmitted to the governor and the legislative research commission as provided for in KRS 45.070.

(2) The governor shall recommend to the general assembly in his budget report, as provided for in KRS 45.030 and 45.040, a specific amount for each optional service.

(3) The general assembly, in enacting the biennial budget in each regular session, as provided for in KRS 45.050 and in enacting any applicable budget in a special session, shall appropriate a specific amount for each optional service.

SB 248, AN ACT relating to the Kentucky board of claims.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 44.086 is amended to read as follows:

(1) The board may require affected state agencies to investigate claims and the incidents on which they are based and to furnish to the board and the claimant in writing the facts learned by investigation. Such response shall be sufficiently specific to support a decision by the board to pay or deny the claim. If the agency believes the state should refute a claim, the agency shall cite the facts about the incident that support its belief.

(2) If the claim is under *one thousand dollars ($1,000) it will be investigated by the board in-house* [~~five hundred dollars ($500)~~] and *if* the board believes it needs additional facts before deciding the claim, the parties may provide the needed information by letter or as directed by the board.

(3) The board shall hold hearings on contested claims whose value is five hundred dollars ($500) or greater but may decide claims under five hundred dollars ($500) without a hearing [~~unless the claimant asks the board for a hearing~~].

(4) At its hearings, the board, or any of its members, or any of its hearing officers shall hear the parties at issue and their representatives and witnesses.

(5) The award or order shall be made by the board or by a member assigned by the chairman within thirty (30) days after final submission, except in cases involving large or complicated records or unusual questions of law, and shall be made within ninety (90) days after final submission in any event. The order or award, together with a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue shall be filed with the record of the claim and a copy of the order or award shall immediately be sent to the parties in dispute.

(6) If an application for review is made to the board within fourteen (14) days from the date of the order or award, the full board, if the first decision was not made by the full board, shall, as soon as practicable, review the evidence, or, if deemed advisable, hear the parties at issue, their representatives and witnesses, and shall make an order or award and file it as specified in subsection (5) above.

Section 2. KRS 44.140 is amended to read as follows:

(1) Appeals may be taken by a state agency from all awards of the board where the amount in controversy, exclusive of interest and costs, is more than five hundred dollars ($500). Appeals shall be taken to the circuit court of the county wherein the hearing was conducted, provided, however, that an appeal involving a nonresident claimant may be taken by a state agency to the Franklin Circuit Court with the approval of the board. No state agency can appeal any decision of the board without securing the prior approval of the attorney general. Appeals shall be taken within forty-five (45) days from the rendition of the award, and the method of appeals shall follow as nearly as may be the rules of civil procedure, except the Commonwealth shall not be required to execute bond.

(2) Any claimant whose claim is five hundred dollars ($500) or greater may within *forty-five (45)* [~~thirty (30)~~] days after receipt of the copy of the report containing the final decision of the board, file a proceeding in the circuit court of the county wherein the hearing was conducted to review the decision of the board. [~~If the claim is less than five hundred dollars ($500), the proceeding may be filed in the district~~

~~court of the district wherein the claim arose.~~] A copy of the filing and complaint shall be served on the attorney general in the manner provided by the rules of civil procedure.

(3) On appeal no new evidence may be introduced, except as to fraud or misconduct of some person engaged in the hearing before the board. The court sitting without a jury shall hear the cause upon the record before it, and dispose of the appeal in a summary manner, being limited to determining: Whether or not the board acted without or in excess of its powers; the award was procured by fraud; the award is not in conformity to the provisions of KRS 44.070 to 44.160; and whether the findings of fact support the award. The court shall enter its findings on the order book as a judgment of the court, and such judgment shall have the same effect and be enforceable as any other judgment of the court in civil causes.

The Committee on Banking and Insurance reported **SB 127, SB 223** with Committee Amendment attached thereto, **SB 252, SB 308, SB 329, SB 372,** and **SB 374** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 127, AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 290.100 is amended to read as follows:

(1) Credit unions shall be under the supervision of the commissioner and shall make financial reports to him as and when he may require, but at least annually. Each credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the commissioner. The commissioner shall fix a scale of examination fees to be paid by credit unions, giving due consideration to the time and expense incident to such examinations and to the ability of credit unions to pay such fees, which fees shall be assessed and paid by each credit union promptly after completion of such examination.

(2) In lieu of the examination provided for in this section, the commissioner may accept any examination made by the national credit union administration. One (1) copy of the examination report shall be promptly submitted to the commissioner for processing and analysis by the department of banking and securities.

(3) When, in the judgment of the commissioner, the condition of any credit union organized under the provisions of this chapter renders it necessary or expedient to make an examination or to devote any extraordinary attention to its affairs, the commissioner shall cause such work to be done. A full and complete copy of the report of all examinations shall be furnished to the credit union so examined. Such report of examination shall be presented by the president to the board of directors at its next regular or special meeting.

SB 223, AN ACT relating to extension of credit.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.215 is amended to read as follows:

(1) *Notwithstanding the provisions of any other law, in any extension of credit where the original principal amount thereof is fifteen thousand dollars ($15,000) or less a bank or trust company or combined bank and trust company may:*

(a) Receive or contract to receive and collect interest at such rate or rates as may be agreed between the bank or trust company and a debtor and the following:

1. Lawful fees actually paid to a public officer for determining the existence of a security interest or for filing, recording, assigning, extending or releasing any instrument securing the extension of credit;

2. Delinquency charges not to exceed five percent (5%) of any installment in arrears for a period of not less than ten (10) days or ten dollars ($10.00), whichever is less, but only one (1) delinquency charge may be made on any one (1) installment;

3. An investigation fee not exceeding one dollar ($1.00) for each fifty dollars ($50.00) or fraction thereof upon the first eight hundred dollars ($800.00) of the principal amount of the extension of credit;

4. Credit related insurance premiums;

5. Bona fide and reasonable fees and expenses related to the extension of credit or the security therefor paid to third parties including title examination, abstract of title, title insurance, survey, preparation of mortgages and similar documents, appraisals, credit reports and attorney fees in the event of default *paid or agreed to be paid to an attorney not a salaried employe of the bank or trust company or combined bank and trust company; and*

(b) Agree with a debtor with respect to the terms of repayment, the methods of determining the rates of and calculating interest, the method of computing a rebate, if any, of interest in the event of prepayment, and any other terms and conditions relating to any extension of credit.

(2) The bank or trust company or combined bank and trust company shall permit the debtor to prepay the extension of credit referred to in this section in whole or in part at any time; however, if a prepayment charge is to be imposed, that fact and method of computing such charge shall be disclosed to the debtor in writing at the time the extension of credit is entered into.

(3) No bank or trust company or combined bank and trust company shall take any assignment, pledge or transfer of wages to be earned or paid in the future in connection with any extension of credit made under this section.

(4) If the extension of credit made under this section is payable in installments, the bank or trust company or combined bank and trust company may, upon agreement with the debtor, extend the scheduled payment or all or part of any installment payment or payments, or renew the balance of such extension of credit. In any such case, the bank or trust company or combined bank and trust company may restate the amount of the installments and the time schedule therefor, and collect as a refinance charge for such extension, deferment or renewal, a flat service fee not to exceed five dollars ($5.00) and additional interest computed at the same rate and by the same method as originally set out in the extension of credit computed from the date of such extension, deferment or renewal.

(5) As used in this section:

(a) "Debtor" means a person to whom or for whose benefit an extension of credit is offered or granted by a bank or trust company or combined bank and trust company, or any surety or guarantor of such extension of credit;

(b) "Extension of credit" means the right granted by a bank or trust company or combined bank and trust company to a debtor to defer payment of debt, or to incur debt and defer in its payment. The term does not include credit extended pursuant to a revolving credit plan defined in KRS 287.710(6);

(c) "Interest" means compensation for the use or forbearance of money or its equivalent and includes finance charges, simple or compound interest, or interest paid in advance or computed on an add-on, discount, variable, irregular or any other basis. [~~(a) In addition to the powers heretofore granted, any bank or trust company or combined bank and trust company shall have the power to lend money repayable in installments; to charge or to receive in advance interest therefor in the case of a loan having a maximum maturity of not more than five (5) years and thirty-two (32) days; to contract for a charge for a secured or unsecured installment loan, and which under its terms shall be repayable in installments over a period of not exceeding ten (10) years and thirty-two (32) days, which charge shall be at a rate not exceeding eight dollars ($8.00) per one hundred dollars ($100) per annum upon the principal amount of the loan which charge or charges shall be for the entire period of the loan and may be collected in advance only if the maximum maturity of the loans does not exceed five (5) years and thirty-two (32) days.~~

~~(b) If the maturity of the loan exceeds five (5) years and thirty-two (32) days but does not exceed ten (10) years and thirty-two (32) days the charge of interest may not be discounted or received in advance but may be added on to the principal amount of the loan and shall not be discounted.~~

~~(c) If any scheduled payment or deferred payments are more than twice as large as the average of the earlier scheduled payments, the debtor and creditor shall agree that the debtor has the right to finance the amount of such payment or deferred payments at the time they are due without penalty. The terms of the refinancing which are agreed to by the debtor and the creditor shall be no less favorable to the debtor than the terms of the original loan.~~

~~(2) In addition to the charge permitted by this section, no further amount shall be directly or indirectly charged, contracted for, or received on any such installment loan, except lawful fees actually paid to a public officer for filing, recording, or releasing any instrument securing the loan and delinquent charges as hereinafter set out, and except an investigation fee not exceeding one dollar ($1.00) for each fifty dollars ($50.00) or fraction thereof upon the first eight hundred dollars ($800) of the principal amount of such loans.~~

~~(3) Delinquency charges may be made not to exceed five cents (5¢) for each dollar of each installment more than ten (10) days in arrears, and only one delinquency charge shall be made on any one installment. No delinquency charge shall exceed five dollars ($5.00) on any one installment. In addition to such delinquency charges, attorney's fees not exceeding fifteen percent (15%) of the unpaid balance and court costs may be collected, provided that the note is referred to an attorney not a salaried employe of the holder for collection.~~

~~(4) The lending institution shall permit the borrower to repay his loan in whole or in part at any time. If a loan is paid in full prior to maturity, the lending institution shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted hereunder has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided,~~

~~however, the lending institution shall be permitted in computing rebates to retain a minimum charge of ten dollars ($10.00) to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar ($1.00), no rebate need be made.~~

~~(5) In the case of loans made under this section the corporation shall not take any assignment, pledge or transfer of wages to be earned or paid in the future, nor any first lien or first mortgage on real estate as security, except such lien as is created by virtue of a judgment or decree or first mortgage liens on loans on unimproved real estate not exceeding ten (10) acres in size or on real estate on which there is located or to be located a residential mobile home. Nothing in this section is intended to prevent lending institutions from making loans under the provisions of the National Housing Act or any other federal legislation, which loans are hereby authorized.~~

~~(6) No lending institution under this section shall split up or divide a loan or permit any person to become obligated to it under more than one contract of loan at the same time for the purpose of obtaining a greater charge than would otherwise be permitted by this section.~~

~~(7) Every note evidencing a loan made under this section shall contain the following information and provisions: The original principal amount of the loan excluding any charge made under this section; a statement of the total charge for the loan; the amount and the date of each installment; the date of final maturity; an agreement that the borrower may repay the loan in whole or in part at any time, and that if the loan is paid in full before final maturity, the borrower will receive a refund of the unearned portion of the charge as required by this section. At the time the loan is made, the lending institution shall give the borrower either a copy of the note, or a statement of the transaction containing the provisions and information required to be contained in the note. The lending institution shall deliver a receipt for each payment.~~

~~(8) In advertising for loans subject to this section, every advertisement shall conform to the following requirement: Any statement of the amount of the loan shall be the original principal amount showing in detail any charge made under this section.~~

~~(9) KRS 288.420, 288.620 and 360.010 shall not apply to loans made under authority of this section, but said sections shall remain in full force and effect for all other purposes. Nothing in this section shall be construed to impair the validity or effect of said sections with respect to loans other than those made pursuant to this section nor shall anything in this section be construed to impair the validity or effect of KRS 360.025.~~]

(6)[~~(10)~~] Any contract of loan in the making or collection of which any act shall have been done which constitutes a willful violation of any provision of this section shall be void, and the bank, trust company, combined bank and trust company shall have no right to collect or receive any interest or charges whatsoever on such loan, but the unpaid principal of the loan shall be paid in full to the lending institution.

Section 2. KRS 190.090 is amended to read as follows:

As used in KRS 190.090 to 190.140 unless the context or subject matter otherwise requires:

(1) "Person" means an individual, partnership, corporation, association, and any other group however organized.

(2) "Retail instalment sale" means any sale for other than business or commercial use evidenced by a retail instalment contract wherein retail buyer agrees to buy and retail seller agrees to sell a motor vehicle at a time sale price payable in two or more instalments. The cash sale price of the motor vehicle, the amount, if any, included for insurance and other benefits, official fees and the finance charge, shall together constitute the time sale price.

(3) "Retail instalment contract" means any agreement, entered into in this state, evidencing a retail instalment sale of a motor vehicle, other than for the purpose of resale, pursuant to which title to, or a lien upon the motor vehicle is retained by the retail seller as security for the retail buyer's obligation. This term includes a mortgage, conditional sale contract or any contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to the time sale price of the motor vehicle and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of such motor vehicle.

(4) "Motor vehicle" means any device [~~with a cash sale price of five thousand dollars ($5,000) or less,~~] in, upon, or by which any person or property is, or may be transported or drawn upon a highway. The term does not include self-propelled wheelchairs and invalid tricycles, tractors, power shovels, road machinery, implements of husbandry and other agricultural machinery, or other machinery not designed primarily for highway transportation but which may incidentally transport persons or property on a highway, or devices which move upon or are guided by a track or travel through the air. A moped as defined in KRS 190.010 shall be subject to the same requirements as a motor vehicle under this section.

(5) "Retail seller" or "seller" means a person who sells or agrees to sell a motor vehicle under a retail instalment contract to a retail buyer, *or the holder of such retail instalment contract.*

(6) "Retail buyer" or "buyer" means a person who buys or agrees to buy a motor vehicle from a retail seller not for the purpose of resale and who executes a retail instalment contract in connection therewith.

(7) "Sales finance company" means a person engaged in the business of creating and holding or purchasing or acquiring retail instalment contracts from a retail seller. The term includes a bank, trust company, private banker, industrial bank, investment company or national bank, if so engaged.

(8) "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail instalment contract, if such sale were a sale for cash, instead of a retail instalment sale. The cash sale price may include any taxes, registration fees, certificate of title fees, if any, license fees, charges for delivery, servicing, repairing, or improving the motor vehicle, including accessories and their installation.

(9) "Official fees" means the fees prescribed by law for filing, recording or otherwise perfecting and releasing or satisfying a retained title or a lien created by a retail instalment contract.

(10) "Finance charge" means that part of the time sale price by which it exceeds the aggregate of the cash sale price, the amount, if any, included for insurance and other benefits and official fees included in the retail instalment sale.

(11) Words in the singular include the plural and vice versa.

Section 3. KRS 190.100 is amended to read as follows:

(1) (a) Every retail instalment contract shall be in writing in at least eight (8) point type, shall contain all the agreements of the parties, shall be signed by the retail buyer, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract.

(b) No provision of a retail instalment contract which purports to provide for the inclusion of title to or a lien upon any goods other than the motor vehicle, accessories and special or auxiliary equipment used in connection therewith which either are the subject of the retail instalment sale or are substitution in whole or in part therefor, as security for payment of such time sale price shall be valid or enforceable; but the other provisions of the retail instalment contract shall not be affected thereby.

(c) No provisions for confession of judgment, power of attorney therefor, or wage assignment contained in any retail instalment contract shall be valid or enforceable.

(d) [~~The holder of a retail instalment contract may collect a delinquency and collection charge on each instalment in arrears for a period not less than ten (10) days in an amount not in excess of five percent (5%) of each instalment or five dollars ($5.00), whichever is the less. In addition to such delinquency and collection charge,~~] The retail instalment contract may provide for the payment of *and the seller may collect reasonable* attorneys' fees *actually paid or agreed to be paid* [~~not exceeding fifteen percent (15%) of the amount due and payable under such contract~~] where such contract is referred to an attorney not a salaried employe of the holder of the contract for collection, plus the court costs.

(e) Unless notice has been given to the retail buyer of actual or intended assignment of a retail instalment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(f) Upon written request from the retail buyer, the *seller* [~~holder~~] of the retail instalment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(2) [~~The retail instalment contract shall contain the following items:~~

~~(a) The cash sale price of the motor vehicle which is the subject matter of the retail instalment sale;~~

~~(b) The amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;~~

~~(c) The difference between items (a) and (b);~~

~~(d) 1. Amount, if any included for insurance and other benefits;~~

~~2. Types of coverage and benefits;~~

~~(e) Official fees as defined in KRS 190.090;~~

~~(f) Principal balance, which is the sum of item (c), item (d), and item (e);~~

~~(g) The amount of the finance charge;~~

~~(h) The time balance payable by the retail buyer to the retail seller, the number of instalment payments required and the amount of each instalment expressed in dollars or percentages, and date of each payment necessary finally to pay the time balance which is the sum of item (f) and item (g); Provided, however, That said items (a) to (h) inclusive need not be stated in the sequence or order set forth above and that additional items may be included which serve to explain the calculations involved in determining the stated time balance to be paid by the retail buyer.~~

~~(3) The retail instalment contract shall contain a definite statement in twelve (12) point bold type or larger, that the insurance, if any included in the retail instalment sale provides or does not provide coverage for personal liability and property damage caused to others, as the case may be.~~

~~(4)~~] The amount, if any, included for insurance, shall not exceed the premiums chargeable in accordance with applicable rate filings made with the commissioner of insurance. Every retail seller or sales finance company, if insurance on the motor vehicle is included in a retail instalment contract shall within thirty (30) days after execution of the retail instalment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail instalment contract shall have the privilege of purchasing such insurance from an agent or broker of his own selection and of selecting an insurance company acceptable to the seller; Provided, however, That the inclusion of the insurance premium in the retail instalment contract when the buyer selects the agent, broker or company, shall be optional with the seller. If any such policy is canceled, the unearned insurance premium refund received by the holder of the contract shall be credited to the final maturing instalments of the retail instalment contract.

(3)[~~(5)~~] Any sales finance company hereunder may purchase or acquire from any retail seller any retail instalment contract on such terms and conditions as may be agreed upon between them. No filing of the assignment, no notice to the retail buyer of the assignment, and no requirement that the retail seller shall be deprived of dominion over the payments thereunder or the goods covered thereby if repossessed by the retail seller shall be necessary to the validity of a written assignment of a retail instalment contract as against creditors, subsequent purchasers, pledgees, mortgagees and lien claimants of the retail seller.

(4)[~~(6)~~] An acknowledgment in the body of the retail instalment contract by the retail buyer of the delivery of a copy thereof shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail instalment contract.

Section 4. KRS 190.110 is amended to read as follows:

In any retail instalment contract hereunder, the seller may:

(a) Receive or contract to receive and collect a finance charge at such rate or rates and upon such terms as may be agreed between the seller and the buyer; provided that any delinquency charge which may be provided in the retail installment contract on installments in arrears for a period of not less than ten (10) days may not exceed five percent (5%) of each installment or ten dollars ($10) whichever is less, and only one (1) such charge may be made on any one (1) installment; and

(b) Agree with the buyer with respect to the terms of repayment, the methods of determining the rates of and calculating the finance charge, the method of computing a rebate, if any, of the finance charge in the event of prepayment, and any other terms and conditions relating to the retail instalment sale [~~(1) The finance charge in a retail instalment sale shall not exceed the following rates:~~

~~Class 1. Any new or used motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made — eleven dollars ($11.00) per one hundred dollars ($100).~~

~~Class 2. Any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of one (1) or two (2) years prior to the year in which the sale is made — thirteen dollars ($13.00) per one hundred dollars ($100).~~

~~Class 3. All other motor vehicles not in class 1 or 2 — fifteen dollars ($15.00) per one hundred dollars ($100).~~

~~(2) Such finance charge shall be computed on the principal balance as determined under KRS 190.100 (2) on contracts payable in successive monthly payments substantially equal in amount extending for a period of one (1) year. On contracts providing for instalment payments extending for a period less than or greater than one (1) year, the finance charge shall be computed proportionately.~~

~~(3) When a retail instalment contract provides for unequal or irregular instalment payments, the finance charge shall be at the effective rate provided in subsection (1) hereof, having due regard for the schedule of payment~~].

Section 5. KRS 190.130 is amended to read as follows:

The holder of a retail instalment contract may, upon agreement with the retail buyer, extend the scheduled due date, defer the scheduled payment of all or part of any instalment payment or payments, or renew the balance of such contract. In any such case the holder may restate the amount of the instalments and the time schedule therefor, and collect as a refinance charge for such extension, deferment or renewal, a flat service fee not to exceed five dollars ($5.00) and *an* [~~a total~~] additional *finance charge computed at the same rate and by the same method as originally set out in the retail instalment contract* [~~charge not exceeding an amount equal to one per cent (1%) per month simple interest on the respective descending balances~~] computed from the date of such extension, deferment or renewal.

Section 6. KRS 190.120 is amended to read as follows:

Notwithstanding the provisions of any retail instalment contract to the contrary, any retail buyer may pay in full at any time before maturity the debt of any retail instalment contract*; however, if a prepayment charge is to be imposed, that fact and method of computing such charge shall be disclosed to the retail buyer in writing at the time the retail instalment contract is entered into* [~~and in so paying such debt shall receive a refund credit thereon for such anticipation of payments. The amount of such refund shall represent at least as great a proportion of the finance charge after first deducting from such finance charge an acquisition cost of twenty-five dollars ($25.00), as the sum of the periodic time balances after the month in which~~

~~payment is made, bears to the sum of all the periodic time balances under the schedule of payments in the original contract. Where the amount of the credit for anticipation of payment is less than one dollar ($1.00), no refund need be made~~].

Committee Amendment No. 1 to **SB 223** is as follows:

Amend printed copy of **SB 223** on page 1, line 4, by adding after "*credit*" the words "*other than first mortgage real property loans*".

SB 252, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 56.065 is amended to read as follows:

As used in KRS 56.070 to 56.180, unless the context requires otherwise:

(1) "Subject of risk" means any or all property reasonably considered to be subject to loss or damage by any single occurrence of any event insured against.

(2) [~~"Extended coverage" means the perils of windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke as used and defined in the Uniform Standard Form approved by the former division of insurance as of June 15, 1950.~~

~~(3)~~] "Department" means the department of insurance.

Section 2. KRS 56.070 is amended to read as follows:

(1) *The department of insurance shall determine which state property shall be insured against loss by fire and other hazards.* [~~No officer or agent of the state, and no person or agency of the state having control or custody of any buildings or other property belonging to or controlled or used by the state or any agency of the state shall pay out any state money for the purchase of insurance against loss to state property by fire or the perils included in extended coverage, or incur any indebtedness against the state for such insurance.~~

~~(2) Subsection (1) of this section does not apply to property financed under a statutory amortization plan which has not been completed, or to the reinsurance of state property under KRS 56.160.~~] The department of insurance shall insure with a responsible company or companies authorized to do business in Kentucky all property financed under a statutory amortization plan, to the extent of the lien indebtedness upon the property or to the extent of its reasonable value, whichever is the lesser.

(2)[~~(3)~~] Any officer or agent of the state having control or custody of any property belonging to or controlled or used by the state or any agency of the state may, with the approval of the secretary of the department of finance and the department of insurance, from the funds allotted to such agency, purchase insurance of an additional kind or kinds which cannot properly be covered in the state fire and tornado insurance fund.

Section 3. KRS 56.090 is amended to read as follows:

Before July 1 of each year the department of insurance shall fix, upon each public building and upon each class of personal property belonging to or controlled or used by the state or any agency of the state, the rate of premium that the department of insurance deems to be the average rate charged by responsible insurance companies doing business in this state for insurance against damage by fire and *other hazards* [~~the perils included in extended coverage~~] upon property of like kind and degree of risk. The premium and insurance shall be calculated upon ninety per cent (90%) of the valuation. Before July 1 of each year the department of insurance shall certify to the state treasurer the premium to be charged against each agency of the state.

Section 4. KRS 56.100 is amended to read as follows:

Each fiscal year the state treasurer shall deduct from any funds in his hands payable to an agency for the care and maintenance of public buildings or property, an amount equal to the premiums certified to him as chargeable against that agency. The amount so debited shall be credited to an account kept by the state treasurer and known as the state fire and tornado insurance fund. No premium shall be charged on any one (1) subject of risk upon a valuation of more than *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~] unless the department of insurance has contracted for reinsurance that limits the liability of the fund to *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~] upon such subject of risk.

Section 5. KRS 56.120 is amended to read as follows:

When the amount of damage has been determined, the state treasurer shall debit the account of the state fire and tornado insurance fund by that amount and credit with an equal amount the account of the agency that has control or custody of the property damaged, and upon warrant from the department of finance the treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If the agency deems it impracticable or undesirable to use the money for repair, reconstruction or replacement of the property damaged or destroyed, it may, with the approval of the department of finance, and subject to the provisions of KRS 56.491, expend said funds for the acquisition, repair, construction or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one (1) subject of risk, by any one (1) loss, shall be in excess of *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~], unless the department of insurance has effected reinsurance upon the subject of risk such as to limit the liability of the state fire and tornado insurance fund to *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~], and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 6. KRS 56.160 is amended to read as follows:

With the approval of the department of finance, the department of insurance may contract with any responsible fire and tornado insurance or reinsurance company authorized to do business in Kentucky to reinsure any subject of risk of which the total valuation has been fixed at over *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~] in such a way as to limit the net liability of the state fire and tornado insurance fund with respect to such subject of risk to *five* [~~three~~] hundred thousand dollars *($500,000)* [~~($300,000)~~]. The premium for reinsurance shall be paid out of the state fire and tornado insurance fund, on warrant of the department of finance.

Section 7. KRS 56.180 is amended to read as follows:

(1) If at the end of any fiscal year the moneys and securities to the credit of the state fire and tornado insurance fund exceed *five* [~~two~~] million dollars *($5,000,000)* [~~($2,000,000)~~], any such excess shall be *transferred to the general fund* [~~available to the department of finance for the purpose of improving conditions relating to life and fire safety in state properties. Such improvements may include but not be limited to the constructing and equipping of a fire house in the capital city. Allocations by the department of finance shall be made on the basis of recommendations made pursuant to KRS 56.170 by the commissioner of insurance~~].

(2) *The moneys and securities to the credit of the state fire and tornado insurance fund shall not be used for any purpose unrelated to fund operations* [~~If conditions with respect to life and fire safety in state properties are such as not to require the expenditure of all excess funds for such improvements, then the commissioner of insurance and the secretary of the department of finance shall determine the amount of such excess not so required and may authorize its transfer to the capital construction fund~~].

SECTION 8. A NEW SECTION OF KRS 56.065 TO 56.180 IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of any other law, KRS Chapter 45A shall apply to fire and tornado insurance contracts entered into by the department of insurance, except as provided in Section 10 of this Act.

Section 9. KRS 45A.030 is amended to read as follows:

The words defined in this section shall have the meanings set forth below whenever they appear in this code, unless the context in which they are used clearly requires a different meaning; or a different definition is prescribed for a particular section, group of sections or provision.

(1) "Business" shall mean any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

(2) "Change order" shall mean a written order signed by the purchasing officer, directing the contractor to make changes which the changes clause of the contract authorizes the purchasing officer to order without the consent of the contractor.

(3) "Chief purchasing officer" shall mean the secretary of the department of finance, who shall be responsible for all procurement of the Commonwealth except as provided by KRS Chapters 175, 176, 177 and 180.

(4) "Construction" shall mean the process of building, altering, repairing, improving or demolishing any public structures or buildings, or other public improvements of any kind to any public real property. It does not include the routine maintenance of existing structures, buildings, or real property.

(5) "Contract" shall mean all types of state agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It shall include awards; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts; [~~and~~] purchase orders*; and insurance contracts except as provided in Section 10 of this Act*. It also includes supplemental agreements with respect to any of the foregoing.

(6) "Contract modification" shall mean any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It shall include bilateral actions, such as supplemental agreements, and unilateral actions,

such as change orders, administrative changes, notices of termination, and notices of the exercise of a contract option.

(7) "Contractor" shall mean any person having a contract with a governmental body.

(8) "Data" shall mean recorded information, regardless of form or characteristic.

(9) "Designee" shall mean a duly authorized representative of a person holding a superior position.

(10) "Employe" shall mean an individual drawing a salary from a governmental body, whether elected or not, and any non-salaried individual performing personal services for any governmental body.

(11) "Governmental body" shall mean any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment of the executive or legislative branch of the state government.

(12) "May" shall mean permissive.

(13) "Negotiation" shall mean contracting by either the method set forth in KRS 45A.085, 45A.090 or 45A.095.

(14) "Person" shall mean any business, individual, organization or group of individuals.

(15) "Procurement" shall mean the purchasing, buying, renting, leasing, or otherwise obtaining of any supplies, services, or construction. It shall also include all functions that pertain to the obtaining of any supply, service, or construction item, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

(16) "Purchase request" or "purchase requisition" shall mean that document whereby a using agency requests that a contract be obtained for a specified need, and may include, but is not limited to, the technical description of the requested item, delivery schedule, transportation, criteria for evaluation of solicitees, suggested sources of supply, and information supplied for the making of any written determination and finding required by KRS 45A.025.

(17) "Purchasing agency" shall mean any governmental body which is authorized by this code or its implementing regulations or by way of delegation from the chief purchasing officer to contract on its own behalf rather than through the central contracting authority of the chief purchasing officer.

(18) "Purchasing officer" shall mean any person authorized by a governmental body in accordance with procedures prescribed by regulations, to enter into and administer contracts and make written determinations and findings with respect thereto. The term shall also include an authorized representative acting within the limits of authority.

(19) "Services" shall mean the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product, other than reports which are merely incidental to the required performance of services.

(20) "Shall" shall mean imperative.

(21) "Supplemental agreement" shall mean any contract modification which is accomplished by the mutual action of the parties.

(22) "Supplies" shall mean all property, including but not limited to leases of real property, printing and insurance, except land or a permanent interest in land.

(23) "Using agency" shall mean any governmental body of the state which utilizes any supplies, services, or construction purchased under this code.

SECTION 10. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

This chapter shall apply to all insurance contracts purchased by the Commonwealth except where the commissioner of insurance determines, with the concurrence of the secretary of finance, that:

(1) An emergency exists; or

(2) Competition is not feasible; or

(3) The annual premium is less than ten thousand dollars ($10,000).

SB 308, AN ACT relating to the Uniform Commercial Code as adopted by Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 355, Article 9, IS CREATED TO READ AS FOLLOWS:

(1) A person who delivers goods under a consignment which is not a security interest and who would be required to file under this Article by paragraph (3)(c) of KRS 335.2-326 has priority over a secured party who is or becomes a creditor of the consignee and who would have a perfected security interest in the goods if they were the property of the consignee, and also has priority with respect to identifiable cash proceeds received on or before delivery of the goods to a buyer, if:

(a) The consignor complies with the filing provision of the Article on sales with respect to consignments (paragraph (3)(c) of KRS 335.2-326) before the consignee receives possession of the goods; and

(b) The consignor gives notification in writing to the holder of the security interest if the holder has filed a financing statement covering the same types of goods before the date of the filing made by the consignor; and

(c) The holder of the security interest receives the notification within five (5) years before the consignee received possession of the goods; and

(d) The notification states that the consignor expects to deliver goods on consignment to the consignee, describing the goods by item or type.

(2) In the case of a consignment which is not a security interest and in which the requirements of the preceding subsection have not been met, a person who delivers goods to another is subordinate to a person who would have a perfected security interest in the goods if they were the property of the debtor.

SECTION 2. A NEW SECTION OF KRS CHAPTER 355, Article 9, IS CREATED TO READ AS FOLLOWS:

(1) When a secured party takes possession of its collateral through exercise of its rights under this Article or other provisions of Kentucky Revised Statutes, and in taking possession of its collateral the secured party simultaneously, and in conjunction with the repossession of its collateral, comes into possession of personal property of the debtor, or personal property of which the debtor has custody, and in which the secured party does not have a secured interest, the secured party shall be required to notify the debtor that it is holding personal property and shall continue to hold said personal property for a period of sixty (60) days following the date of notice. Notice to the debtor shall be in writing and may be made as a part of a notice of sale or by separate document.

(2) Should the debtor fail to claim the property from the creditor within the sixty (60) days provided for herein, said property shall be deemed forfeited to the creditor.

(3) Any property forfeited to a creditor under the provisions of this section, and deemed by the creditor in its sound judgment to have an aggregate worth of twenty dollars ($20.00) or less, may be disposed of by the creditor in such manner as it sees fit.

(4) Any property forfeited to a creditor under the provisions of this section which the creditor deems to have an aggregate value of greater than twenty dollars ($20.00) shall be disposed of in a commercially reasonable manner with the proceeds of the sale of said property being applied to the account of the debtor with the creditor, or, if no balance is owed the creditor, to be mailed to the debtor at his address last known to the creditor.

SB 329, AN ACT relating to insurance consultants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.9-040 is amended to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to[~~:~~

~~(a)~~] an attorney while licensed to practice [~~and actively practicing~~] law in this state[~~; or~~

~~(b) An insurance actuary, and as such a member or associate of the society of actuaries or academy of actuaries.~~

~~(c) An employe who is an employe of a corporation other than an insurance company which provides actuarial services provided such corporation employs on a full time basis one or more members of the society of actuaries or academy of actuaries~~].

(2) A "general lines consultant" is one licensed as a consultant as to any one or more of the following kinds of insurance:

(a) Casualty insurance.
(b) Property insurance.
(c) Surety insurance.
(d) Marine and transportation insurance.
(e) [~~Title insurance.~~
~~(f)~~] Health insurance.

(f)[~~(g)~~] Mortgage guaranty insurance.

(3) A "life *and health* consultant" is one licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 2. KRS 304.9-080 is amended to read as follows:

(1) No person shall in this state be, act as, or hold himself out as an agent, solicitor, consultant, or adjuster (other than company staff adjusters) unless then licensed as an agent, solicitor, consultant, or adjuster respectively.

(2) No agent, or solicitor shall solicit or take applications for, procure or place for others any kind of insurance as to which he is not then licensed. No consultant shall act as such with respect to any kind of insurance as to which he is not then licensed as a consultant.

(3) A consultant license must cover either or both of the following categories, as selected by the licensee:

(a) General lines.

(b) Life *and health* [~~insurance, annuities and health insurance~~].

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category[~~, and shall not be licensed as an agent or solicitor~~].

(4) *No person licensed as a consultant shall act as a consultant until he has filed with the commissioner a bond or insurance as prescribed in KRS 304.9-330.*

(5) Except as provided in KRS 304.9-410, no agent shall place any insurance with any insurer as to which he does not then hold a license and appointment as agent under this subtitle.

(6)[~~(5)~~] The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 3. KRS 304.9-330 is amended to read as follows:

(1) Every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:

(a) The certificate of an insurer authorized to write legal liability insurance in this state, that such insurer has and will keep in effect on behalf of such a person a policy of insurance covering the legal liability of such licensed person as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and enuring to the benefit of any aggrieved party as the result of any single such occurrence in the sum of not less than ten thousand dollars ($10,000) and fifty thousand dollars ($50,000) in the aggregate for all such occurrences within one (1) year, and that such policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or

(b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write such business in this Commonwealth, in the sum of ten thousand dollars ($10,000) which shall be subject to lawful levy of execution by any party to whom the licensed person has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant [~~, a bond issued by an authorized surety insurer in favor of the commonwealth of Kentucky, continuous in form and providing for aggregate liability of $5,000~~].

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as such licensee.

(3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 4. KRS 304.9-350 is amended to read as follows:

(1) A consultant *who is also licensed as an agent* shall not, directly or indirectly, receive or share in *both a fee and other* [~~any commission or~~] compensation paid, directly or indirectly, *from an insured or* [~~by~~] any insurer with respect to any insurance or annuity contract procured, renewed, continued, modified, terminated, or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee under *this* [~~his~~] license *or any license issued under this code; but this subsection shall not preclude any consultant or agent from receiving or sharing in both a fee and other compensation for services rendered in connection with the administration of a pension, profit-sharing, group life insurance, group health insurance, or deferred compensation plan.*

(2) If the licensee has received or is to receive any fee, commission, or compensation from the insured or proposed insured, or from any other person other than the insurer, directly or indirectly, with respect to any insurance transaction or proposed insurance transaction, or with respect to any insurance or annuity contract existing or proposed, it shall conclusively be presumed that the licensee was acting as a consultant with respect to such transaction or contract.

(3) *No person licensed as a consultant under this section may receive any fee, commission or thing of value for examining, appraising, reviewing or evaluating any insurance policy, bond, annuity or pension*

or profit-sharing contract, plan or program or for making recommendation or giving advice with regard to any of the above, unless such compensation is based upon a prior written agreement signed by the party to be charged and specifying or clearly defining the amount or extent of such compensation and the services to be rendered. A copy of every such agreement shall be retained by the licensee for not less than five (5) years after such services have been fully performed.

(4) A person licensed as a consultant under this section shall disclose in the agreement to the party to be charged whether he owns an interest in an insurance agency.

(5) No person licensed as a consultant may receive any compensation, direct or indirect, as a result of:

(a) The sale of insurance or annuities to; or

(b) The use of securities or trusts in connection with pensions for any person to whom any such licensee has performed any related consulting service for which he has received a fee or contracted to receive a fee within the preceding twelve (12) months unless such compensation is provided for in the agreement required.

(6) No person licensed as an insurance consultant under this section may be an executive in, or employe of, or own stock which gives him a majority interest, direct or indirect, in any authorized insurer. No consultant may recommend or encourage the purchase of insurance, annuities, or securities from any authorized insurer in which any member of his immediate family holds an executive position or holds a majority interest [~~In addition to any applicable suspension, revocation, or refusal to continue the licensee's license, violation of this section shall, upon conviction, be punishable by a fine of not over $5,000 or by imprisonment for not more than one (1) year, or by both such fine and imprisonment~~].

Section 5. KRS 304.9-420 is amended to read as follows:

No agent, [~~or~~] solicitor *or consultant* shall directly or indirectly share his commission or other compensation received or to be received on account of a transaction under his license with any person not also licensed as agent, [~~or~~] solicitor *or consultant* under this subtitle as to the kinds of insurance involved in the transaction. This provision shall not affect personal use of such commissions or compensation, or payment of the regular salaries due employes of an agent *or consultant*, or distribution in regular course of business of compensation and profits among members or stockholders of licensee firms or corporations.

SECTION 6. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No insurer, insurance agent, surplus lines broker, solicitor, adjuster, or consultant shall pay directly or indirectly, any commission, brokerage, or other valuable consideration to any person for services as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant within this state, unless such person held at the time such services were performed a valid license for that line of insurance as required by the laws of this state for such services; nor shall any person, other than a person duly licensed by this state as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant at the time such services were performed, accept any such commission, brokerage, or other valuable consideration. Provided, that this section shall not prevent payment or receipt of renewal or other deferred commissions to or by any person entitled thereto under this section.

SECTION 7. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In addition to any applicable suspension, revocation, or refusal to continue the consultant's license, violation of KRS 304.9-350 shall, upon conviction, be punishable by a fine of not more than five thousand dollars ($5,000), or by imprisonment up to one (1) year, or by both.

Section 8. The following KRS sections are repealed:

304.9-420 Sharing of commissions.

304.9-340, Combined licensing prohibited.

SB 372, AN ACT relating to banks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.180 is amended to read as follows:

(1) Banks authorized under the laws of this state may, except as provided in subsection (2) of this section, exercise, only at their principal office, powers necessary to carry on the business of banking by discounting and negotiating notes, drafts, bills of exchange and other evidences of debt, and by purchasing bonds, receiving deposits and allowing interest thereon, buying and selling exchange, coin and bullion and lending money on personal or real security.

(2) Any corporation presently or hereafter engaged in the business of banking, and meeting the requirements of this subsection, may apply to the commissioner of banking and securities for permission to

establish, within the city in which *either the* [~~its~~] principal office *or an existing branch office which has been annexed into the city* is located and, subject to the limitation hereinafter imposed, within the county in which its principal office is located a branch at which all of the powers conferred in subsection (1) of this section may be exercised. Before the commissioner of banking and securities shall approve or disapprove any application made under this subsection he shall ascertain and determine that the public convenience and advantage will be served and prompted thereby and that there is reasonable probability of the successful operation of such branch. No such branch shall be authorized or approved by the commissioner unless all of the following are complied with:

(a) No such corporation having a combined capital and surplus of less than $100,000 shall be permitted to establish any branch. Any corporation applying for permission to establish a branch shall be required to have a minimum combined capital and surplus for each branch applied for in accordance with the following table:

If the principal office is located in:
1. An unincorporated area or in a city of 7,999 population or less $100,000
2. City with population of 8,000 to 19,999 ....$200,000
3. City with population of 19,999 and over one branch may be authorized for every $250,000 of capital and surplus.

Said population is to be determined by the last census or any future census of the United States.

(b) No such corporation shall be permitted to establish a branch in any incorporated city, other than in the city in which *either the* [~~its~~] principal office *or an existing branch office which has been annexed into the city* is located, in which there is an existing bank. Nor shall any such corporation be permitted to establish a branch in any unincorporated area within a radius of one (1) mile of an existing bank located in such unincorporated area. As used in this subsection, an "existing bank" shall mean the principal office of a bank as distinguished from a branch thereof.

(c) The permission to open a branch shall lapse one year after the commissioner has rendered a final order, as defined in KRS 287.062, unless it shall have been opened and business actually begun in good faith. If, for reasons beyond the control of the applicant, the branch is not opened within this time period, permission to open the branch may, with the approval of the commissioner, be extended for whatever period of time he deems to be necessary.

(3) Any corporation which on January 1, 1966, was engaged in operating an agency or branch bank, may continue to retain and operate the same under the general banking laws, and the requirements set forth in this section in respect to capital shall not apply to any such existing agency or branch bank but only as to those agencies or branch banks which may be established in the future pursuant to the terms of this section.

(4) The provisions of this section shall not be construed to prohibit the merger of banks in the same county and the operation by the merged corporation of such banks, nor to prohibit the sale of any bank to, and the purchase thereof by, any other bank in the same county and the operation of such bank by the purchasing bank as a branch, provided the commissioner of banking and securities shall determine that the public convenience and necessity will be served by such operation, and provided further that, at the time of such merger or purchase, each of the banks involved shall have been in operation for a period of five (5) years or more.

(5) Any national banking association or any state bank member of the federal reserve system whose principal office is located in this state is hereby authorized to do all things and perform all acts which state banks are permitted to do or perform under this section, subject to the conditions and restrictions provided for banks as to exercise of such powers.

(6) When a branch or agency bank has once been established any operation thereof shall not be discontinued, and said branch or agency bank shall not be closed until after ninety (90) days notice in writing to the commissioner. In the discretion of the commissioner said branch or agency bank proposing to discontinue operation may be required to give notice of the date when such operation will cease.

SB 374, AN ACT relating to the insurance code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. SUBTITLE 43 OF KRS CHAPTER 304 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Agent" means any person who, for profit or pecuniary gain, solicits persons for enrollment into a prepaid dental plan organization.

(2) "Commissioner" means the commissioner of insurance.

(3) "Dental care services" means any services for the performance of which KRS Chapter 313 requires licensing.

(4) "Enrollee" means a person who has been enrolled in a prepaid dental plan.

(5) "Evidence of coverage" means any certificate, agreement, or contract issued to an enrollee stating the dental care services to which he is entitled.

(6) "Prepaid dental plan organization" means any corporation which undertakes to provide, directly or through arrangements with others, dental care services to individuals or groups enrolled with such an organization on a per capita or a predetermined, fixed prepayment basis.

(7) "Provider" means a partnership, corporation, association, or other legal entity which is licensed to practice within the Commonwealth to deliver dental care services.

SECTION 2. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any person may apply to the commissioner for and obtain a certificate of authority to establish and operate a prepaid dental plan organization in compliance with this Act.

(2) Each application for a certificate of authority is to be submitted to the commissioner on a form prescribed by his office setting forth or accompanied by the following:

(a) The basic organizational documents in triplicate originals acknowledged and verified by the applicant.

(b) The by-laws, in triplicate, of the organization.

(c) A statement describing the prepaid dental plan organization's:

1. Proposed method of marketing;

2. Financial program setting forth a three (3) year projection of its operation;

3. Sources of working capital and funding; and

4. Geographic area to be served.

(d) The names, addresses, and positions of the board of directors or other governing body responsible for the conduct of the affairs of the applicant.

(e) Any proposed contracts or agreements to be issued by the applicant to enrollees.

(3) No person shall establish or operate, without obtaining and maintaining a certificate of authority pursuant to this chapter, an organization which undertakes to provide, directly or through arrangements with others, dental care services to individuals or groups enrolled with such an organization on a per capita or a predetermined, fixed prepayment basis.

(4) Any prepaid dental plan organization in existence as of January 1, 1982 which has completed and submitted to the commissioner an application for a certificate of authority within thirty (30) days from the effective date of this Act shall be permitted to continue to operate without a certificate of authority until the commissioner issues or denies the same.

SECTION 3. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No prepaid dental plan organization shall deliver or issue for delivery in this state any contract describing dental care services available, or any endorsement, rider, or application which becomes a part thereof or any amendment thereto or modification thereof, until a copy of such form or contract or certificate and the schedule of fees or other periodic charges to be paid by the enrollees, has been filed with and approved by the commissioner. Each form, contract or certificate must contain a complete and clear statement of:

(a) The dental care services to which the enrollee is entitled;

(b) Any limitations on the services, benefits, deductible or co-payments features;

(c) Where and in what manner information is available as to how services may be obtained; and

(d) Any other provisions pertaining to the delivery of the dental care services.

(2) At the expiration of thirty (30) days, the form or contract so filed shall be deemed approved unless it has been previously approved or disapproved by order of the commissioner. The commissioner may withdraw approval at any time with cause.

SECTION 4. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Upon receipt of an application for issuance of a certificate of authority, the commissioner shall issue or deny the same. The issuance of a certificate of authority shall be granted only if the commissioner finds the applicant has complied with Section 3 of this Act, has paid the appropriate fees, and the commissioner is satisfied that the following conditions are met:

(1) The person responsible for the conduct of the affairs of the applicant is competent, trustworthy, and possesses a good reputation;

(2) The prepaid dental plan organization is financially responsible and may reasonably be expected to meet its obligations to its enrollees and prospective enrollees;

(3) The agreement with the providers for the provision of prepaid dental care services has been deemed sufficient; and

(4) Approved securities or cash have been submitted in accordance with Section 5 of this Act, as a guarantee that the obligations to the enrollees will be duly performed.

SECTION 5. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Each prepaid dental plan organization shall furnish to the commissioner a deposit of cash or securities approved by the commissioner in an amount not less than twenty-five thousand dollars ($25,000) nor more than seventy-five thousand dollars ($75,000), so that the obligations to the enrollees shall be performed. The exact amount of the deposit shall be determined by the commissioner and adjusted by the commissioner as he deems necessary.

SECTION 6. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Each enrollee residing in this state shall be entitled to evidence of dental care services provided and the same shall be issued and delivered to the enrollee by the prepaid dental plan organization, be it in the form of a contract, certificate, or other comparable document. Such evidence shall state clearly the total amount of payment for dental care services and any indemnity or service benefits which the enrollee is obligated to pay with respect to such dental care services.

SECTION 7. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Organizations subject to the provisions of this Act shall make and file with the commissioner, on or before March 1 of each year, a statement under oath upon a form to be prescribed by the commissioner covering the preceding year, and shall include:

(a) A financial statement of the organization, including a balance sheet, receipts, and disbursements for the preceding year; and

(b) The number of persons enrolled during the year, the numbers of enrollees as of the end of the fiscal year, the number of enrollments terminated during the fiscal year, and such other information relating to the operation of the prepaid dental plan organization as may be prescribed by the commissioner in order to enable the commissioner to evaluate the performance of the prepaid dental plan organization.

(2) The commissioner may require, in his discretion, that any or all of the information provided to him on an annual basis pursuant to subsection (1) of Section 7 of this Act be provided to him, by any prepaid dental plan organization, on a monthly, quarterly, or semi-annual basis.

SECTION 8. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A prepaid dental plan shall register the names of all persons acting as its agents with the commissioner within thirty (30) days after the effective date of this Act.

(2) The commissioner shall, within one (1) year from the effective date of this Act and after notice and hearing, promulgate such reasonable rules and regulations as are necessary to provide for the licensing of agents, and the termination or revocation of such licenses.

SECTION 9. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The commissioner, or any person authorized by him, shall have power to examine the financial condition, ownership or stockholder information, affairs, and management of any organization subject to the provisions of this Act. He shall have free access to all the books, papers, and documents relating to the business of the organization, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employes of any organization, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each organization subject to the provisions of this Act at least once every three (3) years.

(2) Any examination, or any part of any examination of any organization subject to the provisions of this Act, shall be at the expense of the organization examined and shall be subject to the provisions of KRS 304.2-290 and 304.2-300 in the same manner as an insurer.

(3) The report of examination of a prepaid health care benefit plan shall not be for public inspection except as to those portions of the report showing the current financial condition. The comments and recommendations of the examiners shall be deemed confidential information and shall not be available for public inspection, except that the commissioner may in his discretion furnish the complete report to any other supervisory official of another state upon request.

SECTION 10. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The commissioner may suspend or revoke any certificate of authority issued to a prepaid dental plan organization under this Act if he finds that any of the following conditions exist:

(a) The organization is operating significantly in contravention of its basic organizational documents or in a manner contrary to that described in and reasonably inferred from any other information submitted under Section 2 of this Act, unless amendments to such submissions have been filed with and approved by the commissioner;

(b) The organization issues evidence of coverage or uses a schedule of charges for health care services which do not comply with the requirements of Section 3 of this Act;

(c) The organization does not provide or arrange for dental care services under Section 3 of this Act;

(d) The organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to its enrollees; or

(e) The organization has otherwise failed to substantially comply with this Act.

(2) A certificate of authority shall be suspended or revoked only after compliance with the hearing procedures set out in accordance with subtitle 2 of KRS Chapter 304.

(3) When the certificate of authority of a prepaid dental plan organization is suspended, the organization shall not, during the period of such suspension, enroll any additional enrollees except newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

(4) When the certificate of authority for a prepaid dental plan organization is revoked, such organization shall proceed, immediately following the effective date of the order of revocation, to conclude its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of such organization. It shall engage in no further advertisement or solicitation whatsoever. The commissioner may, by written order, permit such further operation of the organization as he may find to be in the interest of enrollees, to the end that the enrollees will be afforded their greatest practical opportunity to obtain continuing dental care coverage. If the commissioner permits such further operation, the prepaid dental plan organization shall continue to collect the periodic pre-payments required of the enrollees.

SECTION 11. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Any rehabilitation or liquidation of a prepaid dental plan organization shall be conducted under the supervision of the commissioner pursuant to and in accordance with subtitle 33 of KRS Chapter 304.

SECTION 12. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Fees for the following services shall be paid to the commissioner by every prepaid dental health plan organization and these fees shall be the same as those for insurers as specified in subtitle 4 of KRS Chapter 304:

(1) For filing an application for a certificate of authority or amendment thereto;
(2) For filing an annual statement;
(3) For each agent's examination; and
(4) For other services deemed necessary by the commissioner.

SECTION 13. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No prepaid dental plan organization, or representative thereof, may cause or knowingly permit the use of advertisement or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive.

(2) No prepaid dental plan organization shall cancel an enrollee's coverage, except for failure to pay the charge for such coverage or for other such reasons as shall be specified in the contracts or certificates filed with and approved by the commissioner pursuant to Section 3 of this Act.

(3) Subtitle 12 of KRS Chapter 304 shall be construed to apply to prepaid dental plan organizations and evidences of coverage, except to the extent that the commissioner determines that the nature of prepaid dental plan organizations and evidence of coverage under Section 3 of this Act is clearly inappropriate.

The Committee on Business Organizations and Professions reported **SB 268** and **SB 376** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 268, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 244.300 is amended to read as follows:

No retailer of distilled spirits and wine shall sell, deliver or give away, or cause, permit or procure to be sold, delivered or given away any distilled spirits or wine on credit, except that a bona fide private club or hotel holding a license may sell on reasonable credit to its members or [~~registered~~] guests; provided, however, sales by retail drink when purchased [~~with a meal~~] at a restaurant which receives fifty percent (50%) or more of its gross annual income from the sale of food and has a minimum seating capacity of fifty

(50) people at tables may be made by use of national or bank credit cards wherein the credit card company has agreed to payment to the licensee for such charges. However, nothing in this section shall be construed to authorize a licensee to issue his own credit cards or extend a personal credit to patrons.

SB 376, AN ACT relating to thoroughbred racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.260 is amended to read as follows:

The commission, in the interest of *promoting honest and competitive thoroughbred horse racing for the citizens of the commonwealth* [~~breeding or the improvement of the breed of thoroughbred horses~~], shall have all powers necessary and proper to carry out fully and effectually the provisions of KRS 230.210 to 230.360 including, but without limitation, the following:

(1) The commission is vested with jurisdiction and supervision over all thoroughbred race meetings in this commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof, any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of thoroughbred racing or appaloosa racing or interfere with the orderly conduct of thoroughbred racing or appaloosa racing at thoroughbred race meetings; Provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;

(2) The commission, its representatives and employes, may visit, investigate and have free access to the office, track, facilities or other places of business of any licensee for the purpose of satisfying itself that KRS 230.210 to 230.360 and its rules and regulations are strictly complied with;

(3) The commission shall have full authority to prescribe *necessary and reasonable* rules, regulations and conditions under which thoroughbred horse racing and appaloosa racing at a thoroughbred race meeting shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any thoroughbred race meeting;

(4) Applications for licenses shall be made in the form, in the manner and contain information as the commission may, by rule, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the commission;

(5) Any of the foregoing rules, regulations and conditions may be altered, amended, repealed and published from time to time. All rules, regulations and conditions shall become effective thirty (30) days after the filing thereof with the Legislative Research Commission unless the governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the Legislative Research Commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing;

(6) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to such witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties. Any person failing to appear before the commission at the time and place specified in said summons, or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both. False swearing on the part of any witness shall be deemed perjury and punished as such.

(7) The commission shall have authority to compel any racing association licensed under KRS 230.210 to 230.360 to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

(8) The commission shall compel any racing association licensed under KRS 230.210 to 230.360 to publish and file with the commission within thirty (30) days after any thoroughbred race meeting conducted by it, the criteria it will use in allocating or denying stalls to applicants at its next race meeting. Said criteria shall state specifically the type of application it will prefer as well as the type of application it will reject.

The Committee on Education reported **SB 94, SB 115, SB 116, SB 117, SB 148** with Committee Amendments attached thereto, **SB 162, SB 173** with Committee Amendment attached thereto, **SB 211, SB 228, SB 273, SB 302, SB 364** with Committee Amendment attached thereto, **SB 392** with Committee Amendment attached thereto, and **HR 90** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 94, AN ACT relating to teachers' contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.740 is amended to read as follows:

(1) Teachers eligible for continuing service status in any school district shall be those teachers who meet qualifications listed in this section:

(a) Hold a standard or college certificate as defined in KRS 161.720.

(b) When a currently employed teacher is recommended for re-employment after teaching four (4) consecutive years in the same district, or after teaching four (4) years which shall fall within a period not to exceed six (6) years in the same district, the year of present employment included, the superintendent shall recommend said teacher for a continuing contract, and, if the teacher is employed by the board of education, a written continuing contract shall be issued.

(c) When a teacher has attained continuing contract status in one (1) district and becomes employed in another district, said teacher shall retain that status provided, however, that a district may require a one-year probationary period of service in that district before granting that status. *For purposes of this subsection, the continuing contract of a teacher shall not be deemed to have terminated when the teacher leaves employment, all provisions of KRS 161.720 to 161.810 to the contrary nonwithstanding, and the continuing service contract will be transferred to the next school district, under conditions herein set forth, for a period of up to seven (7) months from the time employment in the first school district has terminated. Nothing contained herein shall be construed to give a teacher a right to re-employment in the first school district during the seven (7) month period following termination.*

(d) Service credit toward a continuing contract shall begin only when a teacher is properly certified as defined in KRS 161.720 (6).

(2) Any teacher or superintendent who has been or may be hereafter inducted into the armed forces of this country, shall at the expiration of such service be re-employed or reinstated in a comparable position as of the beginning of the next school year, Provided application is made at least thirty (30) days before the opening of school, unless physically or mentally incapacitated according to medical notations on official discharge papers. Vacancies created by military leaves shall be filled by teachers or superintendents employed by the board of education under a limited contract of one (1) year or less.

SB 115, AN ACT relating to hearing procedures of the state board of education in judicial or quasi-judicial matters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

The state board of education may, any statute to the contrary notwithstanding, delegate the taking of evidence, and the rendition of a written recommendation of disposition to the full board, to a panel of the board or to a single member of the board acting as a hearing officer, relative to any hearing, appeal, or decision, judicial or quasi-judicial in nature, which the board is empowered or directed, by this or any other chapter, to conduct, hear, or make; provided, the full board, as provided by statute, makes the final decision or determination, based upon the evidence submitted.

SB 116, AN ACT relating to kindergarten-nursery schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The following KRS sections are repealed:

158.300	Definitions for KRS 158.300 to 158.350.
158.310	Permit — Requirements.
158.320	Centers, inspection of — Records to be kept — Reports to be made.
158.330	State board for elementary and secondary education to make rules and regulations.
158.340	Fees, how credited in state treasury.

158.350 Advisory committee, appointment of — Duties.

SB 117, AN ACT relating to temporary school districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The following KRS section is repealed:
160.030 Temporary independent districts.

SB 148, AN ACT relating to the Kentucky Higher Education Assistance Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.740 is amended to read as follows:

As used in KRS 164.740 to *164.785* [~~164.764~~], the terms listed below shall have the following meanings:

(1) "Authority" means the Kentucky higher education assistance authority.

(2) "Board" means the board of directors of the Kentucky higher education assistance authority.

(3) "Business school" means any business school which is accredited by the association of independent colleges and schools, commission for business schools, (or any successor) and which provides a *program* [~~course~~] of study leading to the granting of a post secondary degree or diploma.

(4) "College" means any institution of higher learning which is accredited by the southern association of colleges and schools, commission on colleges, (or any successor) and which provides a *program* [~~course~~] of study leading to the granting of a post secondary degree or diploma.

(5) "*Secretary* [~~Commissioner~~]" means the United States *Secretary* [~~Commissioner~~] of Education.

(6) [~~"Educational institution" means any college, school of nursing, vocational school, or business school which has a contract in force with the authority pursuant to this chapter.~~

~~(7)~~] "Eligible institution" means any educational institution *or class of institutions designated pursuant to the federal act or this chapter as eligible to participate in authority administered programs, provided that no right of participation shall be deemed vested herein in any institution,* including, but not by way of limitation, any college, school of nursing, vocational school, or business school [~~determined by the commissioner to be eligible to participate in programs described in the federal act which has, if required by the authority, a contract in force with the authority pursuant to this chapter~~].

(7)[~~(8)~~] "Eligible lender" means any entity *described as eligible pursuant to the federal act to make or originate insured student loans, provided that no right of participation shall be deemed vested hereby in any lender* [~~which has in force a contract with the authority providing for loan guarantees to be issued by the authority under the federal act and this chapter~~].

(8) "Eligible student" means any student enrolled or accepted for enrollment at a participating institution, meeting the criteria established by the federal act and this chapter for the various authority administered programs.

(9) "Federal act" means the higher education act of 1965 (Public Law 89-329), as amended.

(10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees or other monetary award that requires neither repayment, *except under conditions prescribed by the board,* nor employment and is based on demonstrated financial need and such other terms and conditions as the board may prescribe.

(11) "Honorary scholarship" means a certificate of merit or achievement or other appropriate document which may be issued by the board to students in recognition of superior academic ability or achievement or a special talent.

(12) "Insured student loan" means an obligation representing advances of money to *an eligible* [~~a qualified~~] student, *who qualifies under the federal act, and is (a) a resident of the Commonwealth or (b) is either enrolled or accepted for enrollment at a participating institution within the Commonwealth, and is not planning to enroll or is not enrolled in a program of study leading to a certificate, diploma, or degree in theology, divinity or religious education,* evidenced by one (1) or more promissory notes, *on which* the payment of principal [~~of~~] and interest [~~on which~~] is insured as evidenced by a loan guarantee issued by the authority and reinsured by the *secretary* [~~commissioner~~] to the extent of not less than eighty percent (80%) of the principal amount thereof under the federal act.

(13) "Loan guarantee" means the certificate, document or endorsement issued by the authority as evidence of insurance by the authority of a loan as to both principal and interest and of reinsurance by the

secretary [~~commissioner~~] to the extent of not less than eighty percent (80%) of the principal amount thereof under the federal act.

(14) *"Participating institution" means any eligible institution, to the extent that it offers an eligible program of study, having a contract in force with the authority, if required by the authority, on such terms as the authority may deem necessary or appropriate to the administration of its programs* [~~Qualified student" means a student (a) who qualifies for an insured student loan, (b) who is a resident of the Commonwealth of Kentucky or who has been accepted for enrollment at or is attending an eligible institution within the Commonwealth of Kentucky and is not planning to enroll or is not enrolled in a course of study leading to a certificate, diploma, or degree in theology, divinity or religious education~~].

(15) *"Participating lender" means any eligible lender, including the authority and the Kentucky higher education loan corporation, which has in force a contract with the authority providing for loan guarantee to be issued by the authority under the federal act and this chapter.*

(16) "Scholarship" means a gift of money based on financial need and superior academic ability or achievement or a special talent and such other terms and conditions as the board may prescribe.

(17)[~~(16)~~] "School of nursing" means any training program in the field of nursing, including one regarding nurse aides, which is accredited by the Kentucky board of nursing education and nurse registration (or any successor) and which provides a *program* [~~course~~] of study leading to the granting of a post secondary degree or diploma.

(18)[~~(17)~~] "Vocational school" means any public vocational school which is accredited by the Kentucky state board for occupational education (or any successor) and which provides a course of study leading to the granting of a post secondary degree or diploma or a vocational technical school accredited by the National association of trade and technical schools *(or any successor), which provides a program of study leading to the granting of a post secondary degree, diploma or certificate.*

(19)[~~(18)~~] "Work study" means an award of money disbursed by the board at specified intervals to students, or as reimbursement to employers of students, who provide needed services for a specified number of hours in a capacity approved by the board.

Section 2. KRS 164.744 is amended to read as follows:

The purpose of the Kentucky higher education assistance authority shall be to improve the higher education opportunities of persons who are attending or planning to attend eligible institutions. Such purpose is hereby declared to be a public purpose for which public money may be spent. Pursuant to rules and regulations which may be adopted by the board which are not inconsistent with the federal act, the authority may:

(1) Insure loans to students [~~who are residents of Kentucky for the purpose of enabling such students to pursue courses of study at eligible institutions, and to students who are nonresidents to attend eligible institutions in the Commonwealth~~], but such insurance shall be provided only if such loans meet the criteria of the federal act and are the subject of agreements with the *secretary* [~~commissioner~~], pursuant to the federal act and where the subject eligible lender has entered into an appropriate contract with the authority; and,

(2) Provide from funds available to it loans, grants, scholarships, and work-study awards to *eligible students* [~~persons~~] who are residents of Kentucky to enable such persons to pursue an eligible *program* [~~course~~] of study at a *participating institution* [~~business school, college, school of nursing or vocational school~~] located in the Commonwealth, and, if required by the federal act, to such persons attending such nonprofit institutions as may be approved by the board.

Section 3. KRS 164.746 is amended to read as follows:

(1) The authority shall be governed and all of its powers, duties, and functions exercised by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the governor. In addition, the executive director of the council on higher education and the secretary of the [~~executive~~] department *of* [~~for~~] finance [~~and administration~~] shall serve as non-voting ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.

(2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.

(3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of two (2) years. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding two (2) years and the board shall elect from its voting membership a new chairman-elect.

(4) Board members shall receive [~~no~~] compensation for their services, *in the amount of sixty-five dollars ($65) per day, and* [~~but~~] may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to *164.785* [~~164.764~~].

(5) The board shall provide for the holding of regular meetings and special meetings. A majority of the voting members shall constitute a quorum for the transaction of any business, provided, however, that the meeting must be called by the chairman ten (10) days prior to the meeting date and either the chairman or the chairman-elect must be present for the transaction of any business.

(6) The board shall adopt rules and regulations, not inconsistent with law, governing the conduct of the authority and may appoint such officers and employes as necessary and may fix their compensation, and shall prescribe their duties; provided, however, that the responsibility for the management of all funds shall be vested in the [~~executive~~] department *of* [~~for~~] finance [~~and administration~~].

Section 4. KRS 164.748 is amended to read as follows:

The board shall have the following powers, functions, and duties:

(1) To provide loan guarantees, upon such terms and conditions as the board may prescribe within the limitations provided by KRS 164.740 to 164.764, and the federal act in respect of loans to *eligible* [~~qualified~~] students. The board may require such additional security, including endorsers as it deems necessary and desirable and is not in contravention of the federal act. The purpose of such loans shall be to assist such individuals in meeting the expense of their education.

(2) To enter into agreements and undertakings with the *secretary* [~~commissioner~~] as may be required and necessary pursuant to the federal act in order to constitute the authority as a state agency qualified and empowered to insure student loans within the meaning of the federal act and to qualify such insured student loans for interest payments, reimbursement, reinsurance and other benefits as may be available under the federal act to the authority.

(3) To issue loan guarantees in respect of loans made to *eligible* [~~qualified~~] students by *participating* [~~eligible~~] lenders, including the authority, provided, however, that no *eligible* [~~qualified~~] student shall obtain an insured student loan from more than one (1) *participating* [~~eligible~~] lender without prior approval by the board and provided, further, that no loan guarantee shall be issued, executed and delivered by the authority unless any insured student loan so resulting shall be the subject of agreements pursuant to the federal act whereby the insured student loan is made the subject of interest payments, reimbursements, reinsurance and other benefits to the extent provided by the federal act.

(4) To adopt rules and regulations pertaining to insured student loans, loan guarantees, loans and work-study payments and the awarding of grants, scholarships and honorary scholarships, as provided in KRS 164.740 to *164.764, and 164.780 to 164.785* [~~164.754~~].

(5) To enter into contracts with eligible lenders, approved by the state to lend moneys, upon such terms and conditions as may be agreed upon between the authority and the eligible lender, to provide for the administration of student financial assistance programs, including, but not by way of limitation, the authority's program of insured student loans.

(6) To enter into contracts with eligible institutions, upon such terms and conditions as may be agreed upon between the authority and the eligible institution, to provide for the administration of student financial assistance programs, including, but not by way of limitation, the authority's program of insured student loans.

(7) To receive funds from any source, public or private, by gift, grant, bequest, loan, or otherwise, either absolutely or in trust, and to expend the same, on behalf of the authority and for any of its purposes; and to acquire from any source, public or private, by purchase, lease, gift, bequest, or devise, any property, real, personal or mixed, absolutely or in trust, and to hold, administer, and dispose of the same, on behalf of the authority and for any of its purposes; Provided, however, That the authority shall have no legal right to make its debts payable out of any funds except those of the authority.

(8) To administer federal funds allotted to the state in respect of insured student loans, loan guarantees, loans, work-study, grants, administrative costs and related matters.

(9) To sue and be sued in the name of the authority and to plead and be impleaded.

(10) To collect from individual borrowers insured student loans on which the authority has been compelled to meet its loan guarantee obligations following the inability of the *participating* [~~eligible~~] lender involved to collect such insured student loans.

(11) To gather information on all loans, scholarships, honorary scholarships, grants and work-study opportunities available to Kentucky residents attending or planning to attend an eligible institution and to disseminate such information through such methods of mass communication as may be necessary to ensure that Kentucky residents are aware of financial resources available to those attending or desiring to attend an eligible institution.

(12) To request such reports from each [~~educational institution,~~] eligible institution[~~,~~] or eligible lender as it deems necessary for the effective performance of its duties and to publish such information as it deems necessary.

(13) To approve, disapprove, limit, suspend or terminate the *participation* [~~eligibility~~] of [~~educational institutions,~~] eligible institutions[~~,~~] or eligible lenders [~~to participate~~] in programs administered by the board, subject, however, to the provisions of the federal act and this chapter.

(14) To perform such other acts as may be necessary or appropriate to carry out effectively the purposes of the authority as provided by KRS 164.740 to *164.764, and 164.780 to 164.785* [~~164.754~~].

(15) If any conflict exists between KRS 164.740 to 164.764 and the federal act, which conflict would result in a loss by the authority of any federal funds, including, but not by way of limitation, federal funds

made available to the authority under the federal act, including interest payments and reimbursement for insured student loans in default, the board is authorized and empowered to adopt rules, regulations and policies consistent with the federal act not in derogation, however, with the constitution and general laws of the Commonwealth.

(16) Except where specifically prohibited by law the authority may secure data from any other Commonwealth of Kentucky agency or instrumentality or from any other source for purposes of verifying information submitted by any student and any student's parents, or others in loco parentis, in applying for or receiving assistance from any program administered by the authority.

(17) To enter into contracts with public or private nonprofit agencies, eligible to hold or insure student loans under the federal act, to provide for the exchange of information, not in contravention of any federal or state law, or the provision of services necessary to the administration of the authority's insured student loan programs.

(18) To enter into contracts with the Kentucky higher education student loan corporation as required pursuant to KRS Chapter 164A.

Section 5. KRS 164.753 is amended to read as follows:

(1) In the instance of loans the rules and regulations adopted by the board may include, but not be limited to, those which:

(a) Are necessary to qualify the authority as an insured lender under the higher education act of 1965, as amended;

(b) Require that loans be made only to those *eligible* [~~qualified~~] students who are unable to secure comparable loans from private lenders; and

(c) Are necessary to qualify the authority as a lender under the public health service act, as amended.

(2) In the instance of insured student loans and loan guarantees the rules and regulations adopted by the board shall include, but not be limited to, those which are necessary to qualify the authority to insure loans under the *federal act* [~~higher education act of 1965~~], as amended, and following such qualification to issue loan guarantees to *participating* [~~eligible~~] lenders on any loans advanced by such lenders to *eligible* [~~qualified~~] students attending or planning to attend any *participating* [~~eligible~~] institution, except that the total amount of all insured student loans that may be guaranteed by the authority shall not at any time exceed fifteen (15) times the loan guarantee fund balance. In determining the total amount of insured student loans that may be guaranteed by the authority there shall be excluded from the computation of required loan guarantee fund balances eighty percent (80%) of the amount of insured student loans which are reinsured with the United States or any agency thereof pursuant to the federal act.

(3) In the instance of scholarships the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Specify ways in which superior academic achievement or ability or special talents will be identified and measured;

(b) Ensure that the amount of scholarship to a student attending or planning to attend *a participating* [~~an educational~~] institution will not exceed the financial need of the student as determined in accordance with paragraph (f) of this subsection, or the maximum scholarship as established by the board, whichever is less;

(c) Restrict scholarships to persons who are classified as resident students under the rules and regulations of the council on higher education and are not planning to enroll or are not enrolled in a *program* [~~course~~] of study leading to a certificate, diploma or degree in theology, divinity or religious education;

(d) Ensure that scholarships are awarded only to eligible students who have applied for such federal, state or institutional student financial assistance programs as the authority may require;

(e) Ensure that scholarships are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in *a participating* [~~an educational~~] institution;

(f) Ensure, by such needs analysis as the authority may require, that the person is in need of the assistance in order to enroll in or complete an eligible *program* [~~course~~] of study as defined by the board.

(4) In the instance of grants the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Ensure that the amount of a grant to a student will not exceed the financial need of the student as determined in accordance with paragraph (e) of this subsection or the maximum grant as established by the board, whichever is less;

(b) Restrict grants to persons who are classified as resident students under the rules and regulations of the council on higher education and are not planning to enroll or are not enrolled in a *program* [~~course~~] of study leading to a certificate, diploma or degree in theology, divinity or religious education;

(c) Ensure that grants are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;

(d) Ensure that grants are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in *a participating* [~~an educational~~] institution;

(e) Ensure, by such needs analysis as the authority may require, that grants be made only to students who have insufficient financial resources to enroll in or complete an eligible *program* [~~course~~] of study as defined by the board.

(5) Funds appropriated to the financial assistance program established by KRS 164.780 and 164.785 shall be administered by the board in accordance with the provisions of KRS 164.780 and 164.785.

(6) In the instance of work-study payments, rules and regulations adopted by the board shall include, but not be limited to, those which require that:

(a) The employment opportunity available for the student will not interfere with the student's normal progress toward a degree, diploma or certificate;

(b) Contracts to promote increased employment opportunities for eligible students will not result in the displacement of employed workers or impair existing contracts for services; and

(c) The work-study payment will not exceed the financial need of the student or the maximum payment as established by the board, whichever is less.

Section 6. KRS 164.754 is amended to read as follows:

There are hereby created, but not by way of limitation, for the purpose of carrying out the purposes of KRS 164.740 to 164.764 the following special funds:

(1) A "scholarship fund" to which shall be credited all funds appropriated by the general assembly to the authority for scholarships, and all funds received from all other sources for such purposes. All general funds appropriated to this account shall become a part of this account, and shall not lapse.

(2) A "loan guarantee fund" account to which shall be credited all funds legally available to the authority and determined by the authority to be applied for the purpose of guaranteeing loans to *eligible* [~~qualified~~] students together with all funds obtained from all other sources for such purposes. Such fund may be invested as provided by law for the investment of Kentucky public employe retirement system funds and shall be assigned in trust to a corporate trustee for the security of the holders of insured student loans; provided, however, that income derived from investment of such fund shall be returned to the authority for deposit to the "administration" account of the authority.

(3) An "administration" account to which shall be credited all funds appropriated by the general assembly to the authority for administration and all other funds authorized for administrative costs. The authority may transfer from this account to the loan fund, grant fund or work-study fund any amounts accruing in this account not needed to cover the reasonable and necessary administrative expenses of the authority.

(4) A "loan fund" to which shall be credited all funds appropriated by the general assembly for loans and all funds received from all other sources for such purposes. All general funds appropriated to this account shall become a part of this revolving account and shall not lapse. These funds may be invested as provided for the investment of Kentucky public employe retirement system funds or transferred to the loan guarantee fund. Interest income and other income from loans or other investments shall be transferred to the "administration" account of the authority.

(5) A "grant fund" to which shall be credited all funds appropriated by the general assembly for grants and all funds received from all other sources for such purposes.

(6) A "work-study fund" to which shall be credited all funds appropriated by the general assembly for work-study payments and all funds received from all other sources for such purposes.

Section 7. KRS 164.785 is amended to read as follows:

(1) The state of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:

(a) Is a Kentucky resident as defined by the Kentucky council on higher education;

(b) Has been accepted by or is *enrolled* [~~registered~~] as a full time student in a Kentucky independent nonprofit college or university which is accredited by the southern association of colleges and schools and whose institutional programs are not comprised solely of a sectarian instruction;

(c) Is not enrolled in a *program* [~~course~~] of study leading to a degree in theology, divinity, or religious education; and

(d) Has not previously attended college or university for more than seven (7) semesters or the equivalent.

(2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky higher education assistance authority.

(3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky higher education assistance authority.

(4) The need of each applicant shall be determined by acceptable need analysis such as the parents' confidential statement of the college scholarship service, and such other analyses as the authority may determine, *subject to the approval by the U.S. secretary of education.*

(5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.

Committee Amendment No. 1 to **SB 148** is as follows:

Amend printed copy of **SB 148** on page 21, after line 14, by adding the following:

"SECTION 8. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the term "eligible borrower" shall mean a student, and the parent of a dependent student, when such student is a Kentucky resident enrolled or accepted for enrollment, on at least a half-time basis, at an eligible institution, making satisfactory progress toward completion of a program leading to a certificate, degree or diploma other than theology, divinity, or religious education; who demonstrates an intention and capacity to repay the loan.

(2) In addition to the authority granted by KRS 164A.010 to 164A.230, inclusive, the corporation is authorized to establish, finance and operate such educational loan programs as the higher education assistance authority shall deem necessary in order to make available additional educational loans (which shall not be insured student loans as that term is defined by KRS 164A.020) to meet the financial needs of eligible borrowers. The corporation may, in connection with any such program or programs, enter into agreements with loan servicing organizations, guarantors, insurers, financial institutions, eligible lenders and eligible institutions. Such educational loan programs may provide for either the making of educational loans directly to eligible institutions and the relending to eligible borrowers or the making and purchasing of educational loans by the corporation.

(3) The corporation may promulgate such rules and regulations as shall be reasonably required to administer any such program on a financially sound basis, including the requiring of guarantees, cosigning by parents or guardians, nongovernmental loan insurance if available, collateral pledges and other security provisions deemed requisite in the circumstances.

(4) The corporation may finance any such educational loan programs through the issuance of its bonds or notes subject to the provisions set forth in KRS 164A.010 to 164A.230, provided that the proceeds of such bonds may be used for such educational loan programs and shall not be commingled with the proceeds of bonds or notes financing insured student loans as defined by KRS 164A.020. Any such bonds or notes issued under the provisions of the Act shall be special and limited obligations, payable solely and only from the receipts pledged and shall not constitute an indebtedness or liability of the Commonwealth or a pledge of the faith and credit of the Commonwealth.

(5) No bonds or notes may be issued by the corporation for the purpose of financing a nongovernmentally insured education loan pursuant to this section except upon a finding by the governor and the legislative research commission that such loans are necessary to meet the financial needs of Kentucky residents to obtain a postsecondary education. In making the determination of need the governor and legislative research commission shall consider the availability of other student assistance resources.

(6) The maximum annual loan amount shall not exceed the costs incurred by the eligible borrower related to attendance less other financial aid, as certified by the eligible institution, or a lesser amount established by the board. The loan proceeds shall be used by the eligible borrower solely for those costs of attendance.

(7) The corporation may issue taxable bonds or notes for the financing of any program authorized by this chapter.

(8) The higher education assistance authority shall provide such services as the corporation may require to efficiently carry out the purposes of this section.

Committee Title Amendment to **SB 148** is as follows:

Amend printed copy of **SB 148** on page 1, by amending the Title to read as follows:

"AN ACT relating to student financial assistance programs."

SB 162, AN ACT relating to the bureau for the blind.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 163.460 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Bureau" means the bureau for the blind.

(2) "Legally blind" means a visual acuity of 20/200 or less in the better eye with correction or a visual field of 20 degrees or less.

(3) "Visually impaired" means a *condition of the eye which constitutes or results for the individual in a substantial handicap to employment* [~~visual acuity of 20/60 or less in the better eye with the correction or when the visual field is limited to 60 degrees or less~~].

(4) "Executive director" means the executive director of the bureau for the blind.

Section 2. KRS 163.470 is amended to read as follows:

(1) There is created within the education and the *humanities* [~~arts~~] cabinet the bureau for the blind.

(2) The executive director shall be appointed by the governor upon the recommendation of the secretary of the education and the *humanities* [~~arts~~] cabinet to whom he shall be directly responsible.

(3) The bureau shall be the state agency responsible for all rehabilitation services for the blind and the visually impaired and other services as deemed necessary. The bureau shall be the agency authorized to *expend* [~~receive~~] all state and federal funds designated for rehabilitation services for the blind and visually impaired. The *office of the secretary of the education and humanities cabinet is authorized as the state agency to receive all state and federal funds and* [~~bureau is, also, authorized to receive~~] gifts and bequests for the benefit of rehabilitation services for the blind and visually impaired.

(4) All records, equipment and personnel presently under the division of vocational rehabilitation services for the blind which includes the Kentucky business enterprises program and the Kentucky industries and rehabilitation center for the blind, and the division of special and technical aids for the blind, under the jurisdiction of the bureau of rehabilitation services, department of education, shall be transferred to the bureau. All funds budgeted to the division of vocational rehabilitation services for the blind, the Kentucky business enterprises program, the Kentucky industries and rehabilitation center for the blind and the division of special and technical aids for the blind shall be transferred to the bureau. The state treasurer is designated as the custodian of all funds and shall make disbursements for rehabilitation purposes upon certification by the executive director.

(5) The bureau shall establish a citizens advisory committee of not less than fifteen (15) persons nor more than thirty (30) persons. There shall be state-wide representation. Leaders of the known organizations of the blind shall be included. The advisory committee shall advise the bureau and the executive director. No bureau employe shall be a member of the committee. Members of the committee shall serve without compensation, but shall be reimbursed for actual expenses incurred in service on the committee.

(6) The bureau shall establish and implement policies and procedures for the carrying out of the program of services for the blind.

(7) At the close of each fiscal year, the bureau shall prepare a financial report and present it to the secretary of the education and the *humanities* [~~arts~~] cabinet and to the governor. The annual report shall be published. The annual report shall, also, contain a precise review of the work of the bureau and contain necessary suggestions for improvement.

(8) The bureau shall coordinate its functions with other appropriate public and private agencies.

(9) The bureau shall perform all other duties as required of it by law.

(10) There shall be created under the authority of the bureau an office of the ombudsman to hear client grievances. A complaint review and hearing process shall be established by the bureau and administered by the ombudsman. This process shall be explained to all bureau clients during their first contact with the agency.

(11) The executive director shall hire personnel as necessary to carry out the work of the bureau and the provisions of KRS 163.450 to 163.470. Preference shall be given to hiring qualified blind persons. Hiring and promotional personnel practices shall not be discriminatory because of age, sex, race, physical disability or national origin. Bureau employes shall receive compensation and travel expenses as allowed other employes of the Commonwealth.

(12) There shall be created under the authority of the bureau, to be directed by the executive director, a division of field services which shall provide intake and rehabilitation counseling services.

(13) There shall be created under the authority of the bureau, to be directed by the executive director, a division of technical services which shall distribute or sell technical aids, talking book machines, educational aids and other aids to the blind. This division shall provide educational materials such as recorded texts, braille or large type texts or such other materials as may be deemed necessary for the education of the blind. This division shall conduct research into the development of new technical and educational aids for the blind.

(14) There shall be established under the authority of the bureau to be directed by the executive director, a division of business enterprises. This division shall include the vending facilities program and shall

promote the development of other small businesses. In connection therewith the bureau shall be authorized to own, lease, manage, supervise and operate vending facilities and other business enterprises for use or benefit of blind persons in federal, state, private and other buildings. *The set-aside charges levied shall comply with the existing federal regulations as specified in 1369.9 of the Randolph-Sheppard Act* [~~The share of expenses of this program to be charged to each enterprise shall not exceed three percent (3%) of the gross receipts of such enterprise above the amount of one hundred twenty-five dollars ($125) gross sales per week, the first one hundred twenty-five dollars ($125) per week being exempt from any such fee~~]. One or more facility placement agents shall be employed to locate and establish additional vending facilities. The bureau for the blind shall make such surveys as may be deemed necessary to determine the vending facility opportunities for blind persons in state buildings or on other property owned, leased or otherwise occupied by the state government and may install vending facilities in suitable locations on such property for the use of the blind. All of the net income from vending machines which are on the same property as a vending facility shall be paid to the blind operator of the vending facility. Whenever there exists a conflict of interest between state agencies seeking to vend merchandise on the same state property, the agencies shall negotiate a fair agreement which will protect the interest of both from unreasonable competition. Such agreements shall be submitted to the custodial authority having jurisdiction over the property for approval. Provided, however, that in all situations the operator shall be permitted to vend all items of merchandise customarily sold at similar vending facilities.

(15) There shall be established under the authority of the bureau, to be directed by the executive director, a division of the rehabilitation center for the blind which shall provide mobility training, work evaluation, personal adjustment and other services as needed for the blind adult. The rehabilitation center shall, also, serve blind adults who have other disabilities.

(16) There shall be established under authority of the bureau, to be directed by the executive director, a division of industries for the blind which shall provide industrial evaluation, training, employment[~~, home industries~~]. Emphasis shall be on placement in public employment and long-term sheltered employment at industries for the blind.

(17) There shall be established under the authority of the bureau, to be directed by the executive director, a division of employment services which shall promote the employment of the blind in the public and the private sectors. This division shall coordinate its activities with the division of field services, the division of business enterprises, the division of rehabilitation center for the blind and the division of industries for the blind.

(18) The bureau shall provide staff services which shall include fiscal management, staff development and training, program development and evaluation, public information office and such other staff services as may be deemed necessary.

SB 173, AN ACT relating to state agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 156.010 is amended to read as follows:

(1) The department of education shall consist of [~~the state board for elementary and secondary education, the department for elementary and secondary education, the state board for occupational education, the department for occupational education, and~~] the superintendent of public instruction, who shall be the executive officer of the department, *the bureau of instruction, the bureau of education for exceptional children, the bureau of administration and finance for local school districts, the bureau of vocational education, the bureau of rehabilitation services, and the state board of education.*

(2) The superintendent of public instruction shall appoint a deputy superintendent of public instruction who is authorized to act in the absence of the superintendent of public instruction.

(3) The superintendent of public instruction shall have general supervision of all assistants, agents and employes. He shall be responsible for implementing policies promulgated by the state board *of* [~~for elementary and secondary education and the state board for occupational~~] education. He may clothe his assistants with full power of attorney to act for him in the supervision, inspection and administration of the schools over which he has supervisory and administrative control.

(4) *All* [~~The division heads, assistants, agents and~~] employes shall be reimbursed for necessary traveling expenses incurred in the performance of their official duties, and no part of the reimbursement shall be included in or accounted as a part of their salaries.

(5) The department of education shall exercise all the administrative functions of the state in relation to the management and control of the public common schools, vocational education, vocational rehabilitation, the Kentucky school for the blind and the Kentucky school for the deaf, and may exercise the general powers and functions relating to state vocational schools and area vocational educational centers for young people

who are enrolled in regular day schools and for out-of-school youth and adults, both employed and unemployed. The department of education shall exercise also those powers relating to television in aid of education and other proper public functions, as provided in KRS 156.070.

(6) *The Kentucky school for the blind advisory board,* the Kentucky school for the deaf advisory board and the state textbook commission are included in the department of education and constitute divisions thereof, but each shall continue to exercise all the functions conferred upon it by law.

(7) The state department of education in the operation and management of its schools and the programs at these schools shall meet all required federal and state standards relating to facilities and personnel qualifications; however, no license or license fee shall be required for any school or program operated by the state department of education.

(8) The department of education is hereby designated as the sole state agency for the purpose of developing and approving state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for elementary and secondary education, vocational education, rehabilitation services and adult education.

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established within the department of education a state board of education which shall consist of fourteen (14) members. Seven (7) members shall be appointed, one (1) from each Supreme Court district, as established by KRS 21A.010, and six (6) members from the state at large, by the governor to serve for terms of four (4) years, except that the original appointments shall be for the terms set out in Executive Order 80-624.

(2) The terms of the original appointees shall expire on June 30 in the year designated, and the terms of each member appointed thereafter shall begin on July 1.

(3) Vacancies in the membership of the board shall be filled by the governor for unexpired terms. Appointments shall be made without reference to occupation, political affiliation, or similar consideration. No member at the time of his appointment or during the term of his service shall be engaged as a professional educator.

(4) At the first regular meeting of the board in each fiscal year, a chairperson shall be elected from its voting membership and a voting member shall be elected to serve as the ex officio member of the council on higher education.

(5) The superintendent of public instruction or his designee shall be the executive officer of the state board of education.

(6) The primary function of the state board of education shall be to develop and adopt policies and regulations by which the department of education shall be governed in planning, coordinating, administering, supervising, operating, and evaluating the educational programs, services and activities within the department of education.

Section 3. KRS 156.060 is amended to read as follows:

A majority of the voting members of the state board *of* [~~for elementary and secondary~~] education shall constitute a quorum for the transaction of business. The board shall meet not less than every three (3) months and at such other times as it may be called as provided in this section. Special meetings of the board may be called by the *chairperson* [~~chairman~~], and upon written request of two (2) members the *chairperson* [~~chairman~~] shall call a special meeting of the board to be held not later than twenty (20) days following receipt of the written request. The *chairperson* [~~chairman~~] shall give notice through the secretary by *registered or* certified mail, return receipt requested to each member of the board at least ten (10) days prior to the time of any meeting, unless all members of the board waive notice in writing. The offices of the board shall be at the seat of government in the department of education and shall be provided by the state. Members of the board may receive a per diem of one hundred dollars ($100) for each regular or special meeting attended *and for each meeting attended as an ex officio non-voting member of the council on higher education* and actual expenses for attending meetings, and may be reimbursed for other actual and necessary expenditures incurred in the performance of their duties authorized by the board. The per diem and expenses shall be paid out of the appropriation for the state board *of* [~~for elementary and secondary~~] education.

Section 4. KRS 156.070 is amended to read as follows:

(1) The state board *of* [~~for elementary and secondary~~] education shall have the management and control of the common schools, and all programs operated in such schools, including interscholastic athletics, the Kentucky school for the deaf and the Kentucky school for the blind.

(2) The board may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations and bylaws of any organization or agency so designated shall be approved by the board, and provided further that the board shall adopt regulations providing for the appeal to the board of any decisions made by the designated managing organization or agency.

(3) (a) It is hereby authorized to lease from the state property and buildings commission, or others, whether public or private, any lands, buildings, structures, installations and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction,

throughout the Commonwealth, and for incidental use in any other proper public functions. Any such lease may be for any initial term commencing with the date of such lease and ending with the next ensuing June 30 which is the close of the then current fiscal biennium of the Commonwealth with exclusive options in favor of the board to renew the same for successive ensuing bienniums (July 1 in each even year to June 30 in the next ensuing even year); and the rentals may be fixed at such sums in each biennium, if renewed, as will be sufficient to enable the state property and buildings commission to pay therefrom the maturing principal of and interest on (and provide reserves for) any revenue bonds which said state property and buildings commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring such television and related facilities, with appurtenances and such costs as may be incident to the issuance of such bonds.

(b) Each such option of the state board *of* [~~for elementary and secondary~~] education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the general assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the state property and buildings commission in writing, signed by the superintendent of public instruction, and delivered to the secretary of the executive department for finance and administration as a member of said commission; Provided, however, That such option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the executive department for finance and administration before the close of business on the last working day in April immediately preceding the beginning of such succeeding biennium.

(c) The board shall not itself operate such leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the superintendent of public instruction and the department of education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any such contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to such reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any such contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the state property and buildings commission shall bind the board to pay rentals for more than one fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any such lease and to the cost of providing for the operation of such television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.

(4) The state board *of* [~~for elementary and secondary~~] education may, on the recommendation and with the advice of the superintendent of public instruction, prescribe, print, publish and distribute at public expense such rules, regulations, courses of study, curriculums, bulletins, programs, outlines, reports and placards as it deems necessary for the efficient management, control and operation of the schools under its jurisdiction. All rules and regulations published or distributed by the board shall be inclosed in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.

(5) Upon the recommendation of the superintendent of public instruction or his designee the state board of education shall establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets and all other matters which are the administrative responsibility of the department of education.

(6) Vocational and non-vocational programs offered at the state universities shall be operated and administered by those universities consistent with the regulations developed by the board of trustees or regents and approved by the council on higher education for the issuance of associate, baccalaureate or graduate degrees. The state board of education and the state department of education shall not operate or administer any programs for such degrees. No institution of public higher education, including the community colleges, shall offer any new program of a vocational-technical-occupational nature below the associate degree level without the consent of the state board of education. The state board of education, with approval of the council on higher education, may contract with institutions of public higher education for the operation of specific programs and projects.

(7) The department of education shall administer, supervise, and operate all programs offered in the state vocational technical schools and area vocational education centers, or may, with the approval of the state board of education, contract with a local school system for such services.

(8) The board of education shall be responsible for establishing priorities for, and approval of, construction of facilities designed for vocational-occupational type programs.

(9) The state board of education, in conjunction with the council on higher education, shall, by program title, prepare a complete listing of programs of a vocational-technical-occupational type offered in public institutions of higher education and the community colleges, state vocational-technical schools and centers, and junior and senior high schools. These listings shall distinguish between vocational-technical-occupational programs for which approval is required by the state board of education and other general education programs.

(10) The state board of education shall have the authority and responsibility to review and to make recommendations to the council on higher education concerning both new programs and existing programs at the associate degree level offered at the institutions of public higher education, including the community colleges, if these programs are of a vocational-technical-occupational type.

Section 5. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board *of* [~~for elementary and secondary~~] education.
(c) [~~The department for elementary and secondary education.~~
~~(d) State board for occupational education.~~
~~(e) The department for occupational education.~~
~~(f)~~] State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.

(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.

34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 6. KRS 171.130 is amended to read as follows:

The department *for libraries* [~~of library~~] and archives is established. The department shall be headed by a *commissioner whose title shall be* state librarian who shall be appointed by and serve at the pleasure of the governor, and who shall have had technical training in the field of library science.

Section 7. KRS 171.240 is amended to read as follows:

(1) In the department *for libraries* [~~of library~~] and archives there shall be a state board for the certification of librarians, composed of the *state librarian* [~~director of the department of library and archives~~] and five (5) members appointed by the governor from a list submitted by the board of directors of the Kentucky library association. Two members shall be full-time professional librarians in active public library work, two shall be public library trustees and one shall be a professional librarian from a department or school of library science in a state university.

(2) The term of office of each appointive member shall be four (4) years. The first appointive member of the board shall be appointed for terms beginning July 1, 1938; one for a term of one (1) year; one (1) for a term of two (2) years; one (1) for a term of three (3) years; and two (2) for terms of four (4) years. Vacancies shall be filled by appointment for the unexpired terms in the same manner as original appointments are made. The members shall receive twenty-five dollars ($25.00) per day for each meeting attended and reimbursement for actual and necessary expenses, incurred in attending meetings.

(3) The board shall hold at least one (1) meeting each year at a time fixed by the board, and such special meetings as may be determined by the board. A chairman and secretary shall be elected at each annual meeting to serve during the ensuing year.

Section 8. Kentucky Revised Statutes are amended as follows:

The Reviser of Statutes is directed to change the phrase "department of library and archives" to "department for libraries and archives" in each and every place such phrase appears in the following statutes: 171.125, 171.150, 171.200, 171.204, 171.215, 171.410, 173.370, 173.480, 173.520, 173.570, 173.725, 173.730, 173.745, 173.770.

Section 9. Kentucky Revised Statutes are amended as follows:

The Reviser of Statutes is directed to change the phrases "state board for elementary and secondary education", "state board for occupational education", or "state board for elementary and secondary education and state board for occupational education" to "state board of education" in each and every place such phrases appear in the following statutes: 12.020, 41.240, 58.150, 156.010, 156.022, 156.024, 156.060, 156.070, 156.074, 156.076, 156.080, 156.090, 156.095, 156.132, 156.134, 156.136, 156.138, 156.152, 156.153, 156.154, 156.160, 156.200, 156.210, 156.230, 156.240, 156.253, 156.255, 156.275, 156.400, 156.405, 156.410, 156.437, 156.447, 156.470, 156.472, 156.474, 156.476, 156.610, 156.620, 156.640, 157.060, 157.100, 157.110, 157.120, 157.130, 157.140, 157.150, 157.160, 157.170, 157.190, 157.200, 157.220, 157.221, 157.224, 157.250, 157.280, 157.315, 157.320, 157.350, 157.360, 157.370, 157.390, 157.410, 157.420, 157.510, 157.520, 157.565, 157.570, 157.815, 157.845, 157.895, 158.020, 158.060, 158.070, 158.110, 158.290, 158.310, 158.330, 158.405, 158.425, 158.450, 158.470, 158.515, 158.530, 158.535, 158.540, 158.610, 158.615, 158.620, 158.650, 158.670, 158.690, 158.700, 158.710, 158.730, 159.030, 159.040, 159.070, 159.080, 159.130, 159.140, 159.170, 159.260, 160.020, 160.030, 160.041, 160.045, 160.180, 160.190, 160.210, 160.290, 160.293, 160.340, 160.370, 160.380, 160.390, 160.460, 160.470, 160.477, 160.510, 160.530, 160.550, 160.560, 160.570, 160.593, 160.599, 160.640, 161.025, 161.030, 161.042, 161.044, 161.100, 161.120, 161.126, 161.159, 161.210, 162.060, 162.170, 162.180, 162.185, 163.030, 163.070, 163.085, 163.086, 317A.150, 319.015, 335.010, 343.020, 163.087, 163.120, 163.140, 163.180, 164.010, 164.0282, 164.740, 167.015, 167.035, 167.150, 167.170, 168.020, 171.215, 189.540.

Section 10. The following KRS sections are repealed:

156.030 State board for elementary and secondary education — Members — Compensation — Function.

156.112 State board for occupational education — Members — Compensation — Functions — Officers.

156.114 Department for elementary and secondary education created — Deputy superintendent — Organization.

156.116 Department for occupational education created — Deputy superintendent — Duties — Organization.

156.118 Organization of the department of education.

Committee Amendment No. 1 to **SB 173** is as follows:

Amend printed copy of **SB 173** on page 19, line 16, by inserting the following after the words "Section 8.":

"KRS 163.470 is amended to read as follows:

(1) There is created within the education and the *humanities* [~~arts~~] cabinet the bureau for the blind.

(2) The executive director shall be appointed by the governor upon the recommendation of the secretary of the education and the *humanities* [~~arts~~] cabinet to whom he shall be directly responsible.

(3) The bureau shall be the state agency responsible for all rehabilitation services for the blind and the visually impaired and other services as deemed necessary. The bureau shall be the agency authorized to receive all state and federal funds designated for rehabilitation services for the blind and visually impaired. The bureau is, also, authorized to receive gifts and bequests for the benefit of rehabilitation services for the blind and visually impaired.

(4) All records, equipment and personnel presently under the division of vocational rehabilitation services for the blind which includes the Kentucky business enterprises program and the Kentucky industries and rehabilitation center for the blind, and the division of special and technical aids for the blind, under the jurisdiction of the bureau of rehabilitation services, department of education, shall be transferred to the bureau. All funds budgeted to the division of vocational rehabilitation services for the blind, the Kentucky business enterprises program, the Kentucky industries and rehabilitation center for the blind and the division of special and technical aids for the blind shall be transferred to the bureau. The state treasurer is designated as the custodian of all funds and shall make disbursements for rehabilitation purposes upon certification by the executive director.

(5) The bureau *for the blind* shall establish *an advisory council on services for the blind and visually impaired* [~~a citizens advisory committee~~] of [~~not less than~~] fifteen (15) persons [~~nor more than thirty (30) persons~~]. There shall be state-wide representation. Leaders of the known organizations of the blind shall be included. The advisory *council on services for the blind and visually impaired* [~~committee~~] shall advise the bureau and the executive director *on matters concerning the delivery of services, the determination of priorities, the formulation of policy, the allocation of resources, the evaluation of programs, and other matters as may be referred to the council by the executive director. The advisory council on services for the blind and visually impaired shall be utilized by the bureau to fulfill federal requirements for citizens' advisory councils associated with programs designed to provide rehabilitation services to the blind and visually impaired. A majority of the members shall be blind or visually impaired. The term of appointments shall be four (4) years except for the members first appointed; four (4) members shall be appointed for four (4) year terms; four (4) members shall be appointed for three (3) year terms; four (4) members shall be appointed for two (2) year terms; and three (3) members shall be appointed for one (1) year terms. Persons shall be eligible for reappointment; however, no person shall serve more than two (2) consecutive four (4) year terms. The governor shall appoint the chairman from the membership of the council. The term of office for the chairman shall be two (2) years, and an appointee shall be eligible to serve more than one (1) term.* No bureau employe shall be a member of the *council* [~~committee~~]. Members of the *council* [~~committee~~] shall serve without compensation, but shall be reimbursed for actual expenses incurred in service on the *council* [~~committee~~].

(6) The bureau shall establish and implement policies and procedures for the carrying out of the program of services for the blind.

(7) At the close of each fiscal year, the bureau shall prepare a financial report and present it to the secretary of the education and the *humanities* [~~arts~~] cabinet and to the governor. The annual report shall be published. The annual report shall, also, contain a precise review of the work of the bureau and contain necessary suggestions for improvement.

(8) The bureau shall coordinate its functions with other appropriate public and private agencies.

(9) The bureau shall perform all other duties as required of it by law.

(10) [~~There shall be created under the authority of the bureau an office of the ombudsman to hear client grievances. A complaint review and hearing process shall be established by the bureau and administered by the ombudsman. This process shall be explained to all bureau clients during their first contact with the agency.~~

~~(11)~~] The executive director shall hire personnel as necessary to carry out the work of the bureau and the provisions of KRS 163.450 to 163.470. Preference shall be given to hiring qualified blind persons. Hiring and promotional personnel practices shall not be discriminatory because of age, sex, race, physical disability or national origin. Bureau employes shall receive compensation and travel expenses as allowed other employes of the Commonwealth.

(11)[~~(12)~~] There shall be created under the authority of the bureau, to be directed by the executive director, a division of *client* [~~field~~] services which shall provide intake and rehabilitation counseling services, *distribute or sell technical educational and other aids to the blind, provide educational materials such as recorded texts, Braille or large-type texts, or such other materials as may be deemed necessary for the education of the blind, research into the development of new technical aids for the blind, mobility training, work evaluation, personal adjustment, and other services as needed for the blind adults, and services for the blind who have other disabilities, and promote employment of the blind in public and private sectors.*

[~~(13) There shall be created under the authority of the bureau, to be directed by the executive director, a division of technical services which shall distribute or sell technical aids, talking book machines, educational aids and other aids to the blind. This division shall provide educational materials such as recorded texts, braille or large type texts or such other materials as may be deemed necessary for the education of the blind. This division shall conduct research into the development of new technical and educational aids for the blind.~~]

(12)[~~(14)~~] There shall be established under the authority of the bureau to be directed by the executive director, a division of business enterprises. This division shall include the vending facilities program and shall promote the development of other small businesses. In connection therewith the bureau shall be authorized to own, lease, manage, supervise and operate vending facilities and other business enterprises for use or benefit of blind persons in federal, state, private and other buildings. The share of expenses of this program to be charged to each enterprise shall not exceed three percent of the gross receipts of such enterprise above the amount of one hundred twenty-five dollars ($125) gross sales per week, the first one hundred twenty-five dollars ($125) per week being exempt from any such fee. One or more facility placement agents shall be employed to locate and establish additional vending facilities. The bureau for the blind shall make such surveys as may be deemed necessary to determine the vending facility opportunities for blind persons in state buildings or on other property owned, leased or otherwise occupied by the state government and may install vending facilities in suitable locations on such property for the use of the blind. All of the net income from vending machines which are on the same property as a vending facility shall be paid to the blind operator of the vending facility. Whenever there exists a conflict of interest between state agencies seeking to vend merchandise on the same state property, the agencies shall negotiate a fair agreement which will protect the interest of both from unreasonable competition. Such agreements shall be submitted to the custodial authority having jurisdiction over the property for approval. Provided, however, that in all situations the operator shall be permitted to vend all items of merchandise customarily sold at similar vending facilities.

[~~(15) There shall be established under the authority of the bureau, to be directed by the executive director, a division of the rehabilitation center for the blind which shall provide mobility training, work evaluation, personal adjustment and other services as needed for the blind adult. The rehabilitation center shall, also, serve blind adults who have other disabilities.~~]

(13)[~~(16)~~] There shall be established under authority of the bureau, to be directed by the executive director, a division of industries for the blind which shall provide industrial evaluation, training, employment, home industries. Emphasis shall be on placement in public employment and long-term sheltered employment at industries for the blind.

[~~(17) There shall be established under the authority of the bureau, to be directed by the executive director, a division of employment services which shall promote the employment of the blind in the public and the private sectors. This division shall coordinate its activities with the division of field services, the division of business enterprises, the division of rehabilitation center for the blind and the division of industries for the blind.~~]

(14) There shall be established an office of support services to provide services and data required by the program divisions for proper and timely execution of their assigned responsibilities, including fiscal and personnel management; staff development and training; program planning, evaluation and audit; affirmative action and client appeal and hearing services.

(15)[~~(18)~~] The bureau shall provide staff services which shall include fiscal management, staff development and training, program development and evaluation, public information office and such other staff services as may be deemed necessary.

Section 9."

and by renumbering all following sections to conform.

SB 211, AN ACT relating to church schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 156.160 is amended to read as follows:

(1) The state board of education shall adopt rules and regulations relating to:

(a)[~~(1)~~] Minimum courses of study for the different grades and kinds of common schools, and regulations governing educational equipment of the schools;

(b)[~~(2)~~] Grading, classifying and accrediting all common schools, and for determining the scope of instruction that may be offered in the different classes of schools, and the minimum requirements for graduation from the courses offered;

(c)[~~(3)~~] Taking, and keeping a school census, and the forms and blanks to be used in taking and keeping the census and in compiling the required reports;

(d)[~~(4)~~] Sanitary and protective construction of public school buildings, toilets, physical equipment of school grounds, school buildings and classrooms. With respect to physical standards of sanitary and protective construction for school buildings, the state board shall adopt the uniform state building code;

(e)[~~(5)~~] Medical inspection, physical education and recreation, and other rules and regulations deemed necessary or advisable for the protection of the physical welfare and safety of the public school children;

(f)[~~(6)~~] The transportation of children to and from school;

(g)[~~(7) Approval of private and parochial schools of elementary or high school grades;~~

~~(8)~~] The fixing of holidays on which schools may be closed and special days to be observed, and the pay of teachers during absence because of sickness or quarantine or when the schools are closed because of quarantine;

(h)[~~(9)~~] The preparation of budgets and salary schedules for the several school districts under the management and control of the state board of education;

(i)[~~(10)~~] A uniform series of forms and blanks, educational and financial, including forms of contracts, for use in the several school districts;

(j)[~~(11)~~] The disposal of real and personal property owned by local boards of education.

(2) Any private, parochial or church school may voluntarily comply with curriculum, certification and textbooks standards established by the state board pursuant to Section 1 of this Act upon application to the board by such schools.

Section 2. KRS 159.030 is amended to read as follows:

(1) The board of education of the district in which the child resides shall exempt from the requirement of attendance upon a regular public day school every child of compulsory school age:

(a) Who is a graduate from an accredited or an approved four (4) year high school; or

(b) Who is enrolled and in regular attendance in a private, [~~or~~] parochial *or church* regular day school [~~approved by the state board of education~~]; or

(c) Who is less than seven (7) years old and is enrolled and in regular attendance in a private kindergarten-nursery school with a permit issued pursuant to KRS 158.310; or

(d) Whose physical or mental condition prevents or renders inadvisable attendance at school or application to study; or

(e) Who is enrolled and in regular attendance in [~~state approved~~] private, [~~or~~] parochial *or church* school programs for exceptional children; or

(f) Who is enrolled and in regular attendance in a state supported program for exceptional children.

(g) The term "church school" as used in this section shall mean and only include such schools as are operated as a ministry of a local church, group of churches, denomination, or association of churches on a nonprofit basis.

(2) Before granting an exemption under paragraph (d) of subsection (1) of this section the state board of education shall require satisfactory evidence, in the form of a signed statement of a licensed physician, psychologist or psychiatrist, or public health officer, that the condition of the child prevents or renders inadvisable attendance at school or application to study. On the basis of such evidence the board may exempt any such child from compulsory attendance. Any child who is excused from school attendance more than six (6) months must have two (2) signed statements from a combination of the following professional persons: a licensed physician, psychologist, psychiatrist, and health officer. Exemptions of all children under the provisions of subsection (1)(d) of this section must be reviewed annually with the evidence required being updated.

(3) For any such child who is excluded under the provisions of subsection (1)(d), home, hospital, institutional or other regularly scheduled and suitable instruction meeting standards, rules and regulations of the state board of education shall be provided.

Section 3. KRS 156.445 is amended to read as follows:

(1) No textbook shall be used in any public school in Kentucky as a basal textbook unless it has been approved and listed on the state multiple list of textbooks by the state textbook commission. Any changes of textbooks made by the state textbook commission shall not become effective until grades and classes of the respective county and independent school districts have completed work for which the adopted book then in use was originally intended. Nothing in this section shall apply to the supplementary books that are needed from time to time.

(2) In approving text materials for private and parochial schools for the purpose of KRS 156.160*(2)*[~~(7)~~] and KRS 159.030 such text materials shall be approved if they are comprehensive and appropriate to the grade level in question notwithstanding the fact if they may contain elements of religious philosophy.

SB 228, AN ACT relating to eligibility for continuing service status for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 161.740 is amended to read as follows:

(1) Teachers eligible for continuing service status in any school district shall be those teachers who meet qualifications listed in this section:

(a) Hold a standard or college certificate as defined in KRS 161.720 *or meet the certification standards for vocational education teachers established by the state board of education*;

(b) When a currently employed teacher is recommended for re-employment after teaching four (4) consecutive years in the same district, or after teaching four (4) years which shall fall within a period not to exceed six (6) years in the same district, the year of present employment included, the superintendent shall recommend said teacher for a continuing contract, and, if the teacher is employed by the board of education, a written continuing contract shall be issued.

(c) When a teacher has attained continuing contract status in one (1) district and becomes employed in another district, said teacher shall retain that status provided, however, that a district may require a one-year probationary period of service in that district before granting that status.

(d) Service credit toward a continuing contract shall begin only when a teacher is properly certified as defined in KRS 161.720 (6) *or, in the case of a vocational education teacher, when the required certification standards established by the state board of education have been met.*

(2) *Vocational education teachers fulfilling the requirements in Section 1 of this Act as of the effective date of this statute shall be deemed eligible for continuing service status.*

(3) Any teacher or superintendent who has been or may be hereafter inducted into the armed forces of this country, shall at the expiration of such service be re-employed or reinstated in a comparable position as of the beginning of the next school year, Provided application is made at least thirty (30) days before the opening of school, unless physically or mentally incapacitated according to medical notations on official discharge papers. Vacancies created by military leaves shall be filled by teachers or superintendents employed by the board of education under a limited contract of one (1) year or less.

SB 273, AN ACT relating to exceptional children.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.280 is amended to read as follows:

(1) If the number of children of school age in one (1) classification of exceptionality in a district is not sufficient to justify a special education program for that exceptionality in that district, or if a school district does not provide a special education program for that exceptionality, the board shall provide a program by contract with another county or independent district or private organization that maintains a special education program approved by the state board *of* [~~for elementary and secondary~~] education for that exceptionality[~~, the cost of which shall not exceed the amount designated by the state department of education for a child of that particular exceptionality~~]. When a district or private organization undertakes, under operation of a tuition contract or of law, to provide in its classes for these pupils residing in another district, the district of residence of these pupils shall share the total cost of the special education program in proportion to the number of pupils or in accordance with contract agreement between the two (2) districts or district and private organization.

(2) The school board of the school district in which any child resides shall pay for his transportation to and from the program in the other school district or to the private organization. However, if the school board of the other district or the private organization providing the program also provides transportation, the cost of transportation shall be included in the total cost.

(3) If a child of school age is admitted for resident instruction at the Kentucky School for the Deaf or the Kentucky School for the Blind, under regulation of the state board *of* [~~for elementary and secondary~~] education and under provisions of KRS 167.015 to 167.170, the district in which the child resides shall provide transportation to and from the school on a regularly scheduled basis, at intervals of no less than once each month while the child is enrolled, either by individual district or in cooperation with other school districts on a regional basis, as approved by the state board *of* [~~for elementary and secondary~~] education upon recommendation of the superintendent of public instruction.

Section 2. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for kindergarten, classroom units for gifted and talented children when units are included in the executive budget, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one (1) classroom unit shall be included for each twenty-seven (27) pupils in average daily attendance in grades one (1) through twelve (12); provided, however, that one (1) classroom unit shall be included for each isolated one-teacher school with twelve (12) or more pupils in average daily attendance and one (1) unit shall be included for each twenty-five (25) pupils in average daily attendance at all other isolated schools. The allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions: (a) an average daily attendance of six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 shall be deducted for each vocational unit allotted and (b) an average daily attendance of five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 shall be deducted for each exceptional children's unit allotted. If a local school district through its admission and release committee determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such private school or agency.

(3) Allotments of classroom units except those allotted in accordance with subsection (4) of this section, shall be increased when the average daily attendance in grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase.

(4) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (3) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(5) In allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board *of* [~~for occupational~~] education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board *of* [~~for occupational~~] education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(6)*(a)* In allotting classroom units for exceptional children, one (1) classroom unit shall be included upon the employment of each teacher approved to teach such children in accordance with the provisions of law and Kentucky administrative regulations of the state board *of* [~~for elementary and secondary~~] education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor. *In addition to the classroom units allotted above, if a local school district, through its admission and release committee, determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, the school district shall be reimbursed in addition to the amount distributed under KRS 157.390(6), a pro rata allotment for those pupils under contract. The pro rata amount shall be calculated by dividing the district's average salary allotted for 185 days plus the current expense and capital outlay allotment per classroom unit by the maximum number of pupils required by regulations for the pupil's specific type of classroom unit.*

(b) The Superintendent of Public Instruction shall limit approval of additional private agencies for participation in state funding for the above cited program to those funds appropriated for this purpose in each biennial budget.

(7) (a) In allotting classroom units for administrative and special instructional services, the total number of classroom units allotted in subsections (2), (10) and (12) plus subsections (5) and (6) before July 1, 1976 shall be divided by eight (8) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(b) The total number of units allotted under subsection (5) beyond those allotted in the school year 1975-76 times six and nine-tenths (6.9) in 1978-79 and eight and four-tenths (8.4) in 1979-80 average daily attendance plus the total number of units allotted under subsection (6) beyond those allotted in the school year 1975-76 times five and one-tenth (5.1) in 1978-79 and six and three-tenths (6.3) in 1979-80 average daily attendance shall be divided by two hundred and sixteen (216) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(c) The total of subsection (a) plus subsection (b) shall be the number of classroom units allotted the district for administrative and special instructional services as authorized by Kentucky administrative regulations of the state board *of* [~~for elementary and secondary~~] education.

(8) In allotting classroom units for supervisors of instruction, one-half (½) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (5), (6), (10) and (12); one (1) unit shall be allotted each district which is allotted fifty (50) to one hundred (100) classroom units, one (1) unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(9) In allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred and sixty-five and nine-tenths (165.9) classroom units under subsection (2) and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(10) In allotting classroom units for kindergarten, the superintendent of public instruction, under Kentucky administrative regulations of the state board *of* [~~for elementary and secondary~~] education, may allot units for kindergarten. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(11) In allotting classroom units for superintendent, one unit shall be allotted each school district.

(12) In allotting classroom units for gifted and talented children, the superintendent of public instruction, under Kentucky administrative regulations of the state board *of* [~~for elementary and secondary~~] education, may allot units for gifted and talented children. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without the approval of the governor.

SB 302, AN ACT relating to teachers' salary and transfer.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.760 is amended to read as follows:

(1) Each board of education shall cause notice to be given annually not later than July 1 to each teacher who holds a contract valid for the succeeding school year, stating the best estimate as to the salary to be paid such teacher during such year. Such salary shall not be lower than the salary paid during the preceding school year unless such reduction be a part of a uniform plan affecting *all teachers in* the entire district, or unless there is a reduction or elimination of extra service, administrative and/or supervisory duties and responsibilities of the teacher or other certified personnel. Upon requests by the teacher, any reduction or elimination of extra service, administrative and/or supervisory duties and responsibilities shall be accompanied by a written statement of the specific reason or reasons for such reduction or elimination. But nothing herein shall prevent increases of salary after the board's annual notice has been given. All teachers who refuse assignment shall notify the superintendent in writing not later than July 15.

(2) Transfer or change in appointment [~~Reassignment~~] of *teachers* [~~certificated personnel~~] after July 15 shall be made only to fill vacancies created by illness, death or resignations; to reduce or increase personnel because of a shift in school population; to make personnel adjustments after consolidation or merger; *or* to assign personnel according to their *certification pursuant to KRS 161.010 to 161.120 and regulations adopted thereunder, provided, in the latter instance, that the teacher was appointed to a position outside his or her field of certification in the previous year* [~~major or minor fields of training~~].

(3)[~~(2)~~] Upon recommendation of the superintendent and approval of the board of education reduction of responsibility for a teacher may be accompanied by a corresponding reduction in salary; provided that written notification setting forth the specific reason or reasons for such reduction shall be furnished the teacher not later than May 15.

(4)[~~(3)~~] Employment of a teacher, under either a limited or a continuing contract, is employment in the school district only and not in a particular position or school.

SB 364, AN ACT relating to academic assessment of private and parochial school pupils.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

It is the intention of the general assembly in enacting the provisions of this Act to assure the right of each student in the private, parochial and church schools of the Commonwealth to acquire the basic knowledge and reasoning skills essential to intelligently exercise the right to vote.

Section 2. KRS 158.680 is amended to read as follows:

There shall be appointed by the governor a state advisory committee for educational improvement in accordance with the following:

(1) The state advisory committee for educational improvement shall be eighteen (18) members broadly representative of citizens, parents, teachers and administrators *representing private, parochial, church and public schools.* Their principal duties shall be to advise the governor and department in the implementation of the provisions of KRS 158.660 to 158.730.

(2) All members shall be voting members appointed by the governor and shall serve terms of four (4) years, except that the original appointments will be made as follows:

(a) Five (5) members for four (4) year terms;
(b) Five (5) members for three (3) year terms;
(c) Four (4) members for two (2) year terms; and
(d) Four (4) members for a one (1) year term.

(3) The state advisory committee for educational improvement shall elect a chairman annually from its membership;

(4) The members shall be remunerated for actual and necessary expenses incurred while attending meetings of the state advisory committee for educational improvement or while serving in the capacity as representative of the state advisory committee for educational improvement.

(5) The state advisory committee for educational improvement shall meet at least three (3) times each year at such times and places as it determines by resolution.

Section 3. KRS 158.690 is amended to read as follows:

(1) By January 1, 1983, the state board of education shall establish minimum achievement standards for pupils of the Commonwealth.

(2) The department shall develop and implement a statewide assessment program *to measure student progress and achievement toward meeting the minimum standards* in accordance with the following:

(a)[~~(1)~~] This program shall be *used in the public, private, parochial, and church schools* for the purpose of measuring and reporting student progress and achievement in the basic skills in grades 3, 5, 7

and 10 and other product goal areas *for the public schools* as determined by the state board *of* [~~for elementary and secondary~~] education upon recommendation of the superintendent of public instruction;

(b)[~~(2)~~] Appropriate tests shall be administered annually beginning in 1978-79 *in the public schools and in 1982-83 in the private, parochial, and church schools. The state board of education shall promulgate regulations to establish procedures for:*

1. Notification of the private, parochial, and church schools of the requirement for the testing program;

2. Administration, scoring, and reporting of the tests;

(c)[~~(3)~~] Results of these tests shall be compiled on a statewide, district and school basis by the department and be made available to the governor, the state advisory committee for educational improvement, the legislative research commission, the state board *of* [~~for elementary and secondary~~] education, *the* [~~and~~] local boards of education *and each private, parochial, and church school*;

(d)[~~(4)~~] The results of *the* [~~these~~] tests *in the public schools* shall be used by local boards of education for the development of educational improvement plans and shall not be used for the evaluation of teachers or administrators for the purpose of promotion, demotion, transfer, or dismissal;[~~.~~]

(e) The results of the tests in private, parochial, and church schools shall be used by the state board of education to evaluate student progress toward the minimum achievement standards. In the event that the average achievement level of pupils tested in private, parochial, or church schools falls below the established minimum standards, as applied to the public schools, the school officials shall be notified by the state board of education.

Section 4. KRS 158.700 is amended to read as follows:

The department shall assume the following functions in implementing the educational improvement act:

(1) The department shall, in 1978-79, purchase or cause to be developed tests appropriate to the Commonwealth of Kentucky for measuring student progress and achievement in the basic skills in grades 3, 5, 7 and 10. These tests shall be reviewed annually for appropriateness and shall be modified or revised as is necessary.

(2) The department shall, in 1978-79, purchase or cause to be developed tests appropriate to 10th grade students in Kentucky for measuring proficiency in other product goal areas as determined by the state board for elementary and secondary education upon recommendation of the superintendent of public instruction. These tests shall be reviewed annually for appropriateness and shall be modified or revised as is necessary.

(3) The department shall cause to be administered annually, beginning in the 1978-79 school year, all tests specified in subsections (1) and (2) of this section to all students in grades 3, 5, 7 and 10 in all of the public schools of the state; *the department shall cause to be administered annually, beginning in the 1982-83 school year, all tests specified in subsection (1) of this section to all students in grades 3, 5, 7, and 10, or academic levels which are comparable to public school grades 3, 5, 7, 10 in each private, parochial, and church school of the state;*

(4) The department shall score or cause to be scored all tests specified in subsections (1) and (2) of this section, compile results for each local school district, *and each private, parochial, and church school,* and return these results to the appropriate district *or school* by August 1 of each year;

(5) The department shall, upon the request of a local school district, *private, parochial, or church school,* provide assistance in interpreting test results;

(6) The department shall, upon request of a local school district, provide technical assistance in the area of program development;

(7) The department shall review and approve local plans for educational improvement consistent with guidelines approved by the state board for elementary and secondary education; and

(8) The department of education shall annually review both state process and product goals and modify when appropriate.

Section 5. KRS 158.660 is amended to read as follows:

It is the intention of the general assembly in enacting KRS 158.650 to 158.740 to assure the right of each student in the public schools of this state to acquire the basic knowledge and learning skills essential for completing high school, pursuing a course of study in post secondary education, or entering the work force in our society. It is further the intention of the general assembly to assure each student in the public schools access to those programs and services appropriate to his educational needs in the areas of basic academic and learning skills development. *To achieve these goals, it is intended that academic and learning skills be developed through basic programs in areas of learning which shall include language arts measurement, fine arts, physical education, science, social studies, and problem solving.*

Committee Amendment No. 1 to **SB 364** is as follows:

Amend printed copy of **SB 364** on page 2, line 1, by placing a period after "voting members" and adding the following:

"*Two (2) members shall be appointed by the President Pro Tem of the Senate; two (2) members shall be appointed by the Speaker of the House of Representatives; and fourteen (14) members shall be appointed by the Governor. All members shall serve for a term of four (4) years or until their successors are appointed and qualified. The initial appointments by the President Pro Tem of the Senate and the Speaker of the House of Representatives shall be to fill the first four (4) vacancies which shall occur on the existing board after the effective date of this act.*"

and by placing a bracket before "appointed" on line 1 and after "term." on line 8 and striking through all bracketed material on lines 1 through 8.

SB 392, AN ACT relating to financial incentives for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) The teaching fields of mathematics and science, staffed with teachers having a major or area of concentration in mathematics, biology, chemistry, earth science, physics, mathematics-physical sciences, natural sciences, or geology, are fields in which there exist critical shortages of teachers in grades seven (7) through twelve (12). It is hereby declared to be the intention of the general assembly to attract and retain qualified teachers to those fields by awarding incentive scholarships to persons declaring an intention to serve in such teaching fields and who actually render service to the Commonwealth in such fields while possessing a regular teaching certificate with an appropriate major or area of concentration.

(2) To the extent of appropriations available, persons enrolled at institutions of higher education approved by the state board of education to offer teacher education programs, who have been admitted to a teacher education program leading to a major or area of concentration as set forth in subsection (1) of this section, shall be eligible for student loans to be applied to the costs of their college education. Persons already certified, but who do not possess an appropriate major or area of concentration as set forth in subsection (1) of this section shall also qualify for such loans to obtain appropriate summer school credits at approved institutions.

(3) A student initially receiving a loan during his sophomore year shall be eligible for a maximum of three (3) annual loans. A junior establishing initial eligibility shall be eligible for a maximum of two (2) loans, and a senior shall be eligible for one (1) loan. Certified teachers attending summer school shall be eligible for loans for a maximum of three (3) summer school sessions.

(4) The maximum annual loan shall be set by the state board of education at an amount not to exceed the average cost of room, board, tuition, and fees at the state-supported colleges and universities, except that a summer school loan shall equal one-third (⅓) of such amount for each summer school session attended.

(5) The loans of persons who actually render service as certified teachers in the Commonwealth for a major portion of the school day in the critical shortage fields recognized in subsection (1) of this section, for at least seventy (70) school days during each of six (6) school semesters immediately after obtaining an appropriate major or area of concentration, shall be converted to interest free scholarships. Conversion shall be based on two (2) semesters of service for each year a loan was received. One (1) semester of service is required for each loan for summer school attendance.

(6) Persons failing to complete an appropriate program of studies shall immediately become liable to the department of education for the sum of all outstanding loans, except in the case of a deferral of debt for cause by the superintendent of public instruction, after which period of deferral studies will be resumed. Persons failing to meet teaching requirements in any required semester shall immediately become liable to the department of education for one-half (½) the amount of the corresponding loan received, except in the case of persons receiving loans for summer school attendance, who shall become liable for the amount of the loan applicable to a single summer school session, and except in the case of a deferral of debt for cause by the superintendent of public instruction, after which period of deferral teaching duties required hereunder will be resumed. Persons liable for repayment of loans shall also be liable for interest for the entire period of the loan at a rate to be determined at the time the loan is granted.

(7) Any statutes to the contrary notwithstanding, a loan made pursuant to this section shall not be voidable by reason of the age of the borrower at the time of receiving the loan.

(8) Failure to repay any loan and interest that becomes due shall be cause for the revocation of a person's teaching certificate, subject to the procedures set forth in KRS 161.120.

(9) All loans and interest repaid to the department of education hereunder shall be added to the appropriations made for purposes of this section, and said appropriations shall not lapse.

(10) The superintendent of public instruction, upon approval of the state board of education, shall promulgate regulations for administering this section. The superintendent of public instruction shall execute appropriate contracts and promissory notes with loan recipients, and the superintendent of public instruction, with approval of the state board of education, may contract with any other appropriate organization or unit of government for the administration of this section.

(11) If insufficient funds are available for requested loans to qualified persons during any fiscal year, the superintendent of public instruction shall make pro rata reductions in the loans made to qualifying applicants. Priority consideration shall be given to persons receiving previous loans and participating in the program.

Section 2. The following KRS sections are repealed:

156.610	Teacher education scholarship fund — Board, membership, term, expenses.
156.620	Applications for scholarships — Standards — Examination.
156.630	Conditions for awarding scholarships — Requirements — Priority.
156.640	Conditions of eligibility.
156.650	When effective.

Committee Amendment No. 1 to **SB 392** is as follows:

Amend printed copy of **SB 392** on page 1, line 17 after the word "*of*" delete "*appropriations*" and insert in lieu thereof the word "*funds*"

and on page 1, line 17 after "*(2)*" insert the following:

"*The incentive scholarship program shall be administered by the Kentucky Higher Education Assistance Authority with funds provided by the General Assembly, though the Authority may use funds from other sources which may become available.*";

and on page 2, line 18 delete "*state board of education*" and insert in lieu thereof "*Kentucky Higher Education Assistance Authority*";

and on page 3, line 10 delete "*department of education*" and insert in lieu thereof "*Kentucky Higher Education Assistance Authority*";

and on page 3, line 12 delete "*superintendent of public instruction*" and insert in lieu thereof "*board of directors of the Kentucky Higher Education Assistance Authority*";

and on page 3, line 15 delete "department of education" and insert in lieu thereof "*authority*";

and on page 3, line 21 delete "*superintendent of public instruction*" and insert in lieu thereof "*board of directors*";

and on page 4, line 9 delete "*department of education*" and insert in lieu thereof "*authority*";

and on page 4, line 10 delete "*added to the appropriation made*" and insert in lieu thereof "*designated*";

and on page 4, line 11 delete "*, and said appropriation shall not lapse*";

and on page 4, line 13 delete "*superintendent of public instruction*" and insert in lieu thereof "*authority*";

and on page 4, line 14 delete "*state board of education*" and insert in lieu thereof "*board of directors*";

and on page 4, line 16 delete "*superintendent of public instruction*" and insert in lieu thereof "*authority*";

and on page 4, line 18 delete the following:

", and the superintendent of public instruction, with approval of the state board of education, may contract with any other appropriate organization or unit of government for the administration of this section.

(11) If insufficient funds are available for requested loans to qualified persons during any fiscal year, the superintendent of public instruction shall make pro rata reductions in the loans made to qualifying applicants. Priority consideration shall be given to persons receiving previous loans and participating in the program".

HR 90, A RESOLUTION requesting the Interim Joint Committee on Education to study the Kentucky School for the Blind and the Kentucky School for the Deaf to determine their role in the Commonwealth's responsibility to provide an appropriate education for all handicapped children.

WHEREAS, the Kentucky School for the Blind and the Kentucky School for the Deaf were established over 100 years ago to provide an education for handicapped children who were not accepted by the public schools; and

WHEREAS, during the last decade court decrees and federal and state laws have established the right of all handicapped children to receive an appropriate education at public expense; and

WHEREAS, the missions of the Kentucky School for the Blind and the Kentucky School for the Deaf have not been thoroughly reviewed by the General Assembly since the passage and implementation of the new laws; and

WHEREAS, there are concerns regarding the role and, particularly the admission policies, of the schools;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interim Joint Committee on Education study the Kentucky School for the Blind and the Kentucky School for the Deaf to determine their role in the Commonwealth's responsibility to provide an appropriate education for all handicapped children.

Calendar

HB 515, HB 643, HB 811, SB 66, SB 264, SB 316, SB 339, Proposed Regulation 815 KAR 7:050, **SB 352, HR 85, HR 86, HR 91, SB 3, SB 155, SB 300, HB 819, SB 144, SB 164, SB 226, SB 280, SB 281, SB 51, SB 152, SB 167, SB 170, SB 172, SB 174, SB 193, SB 284, SB 327, SCR 50, HB 765, SB 138, SJR 45, HR 81,** and **SB 103** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 295, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 295.** Agreed.

Representative Clarke moved the adoption of the Floor Amendment No. 4 to **HB 295.** Agreed.

Representative Clarke moved that **HB 295,** by way of Committee Substitute as amended, be passed.

Representative Dawahare moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **HB 295.**

On the roll call the vote was yeas 49-Allen, Barrows, Blevins, Boswell, Brinkley, Brown, Burnette, Caldwell, Cline, Crupper, Cyrus, Dawahare, Deskins, Ellington, Endicott, Farrow, Ford, Fryman, Gray, Guenthner, Heleringer, Holbrook, Layman, Lefevers, Lile, Little, Lundergan, Maggard, Moberly, Morris, Noe, Noland, Overstreet, Patrick, Perkins, Rattliff, Richards, P. Richardson, Robinson, Seum, F. Smith, Stone, Stumbo, Thomas, Todd, Turner, Van Horn, White, Worthington. Nays 37-Arnold, Bendl, Bennett, Bronger, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Donnermeyer, Dunn, Foster, Freibert, Handy, Harper, Hines, R. Jones, T. Jones, Kenton, LeMaster, List, Long, Mann, McBee, McNutt, Meyer, Nett, O'Brien, Pearman, Petty, Priddy, Rapier, Schmidt, Thomason, Yates.

Floor Amendment No. 3 to the Committee Substitute to **HB 295** was adopted.

Representative Schmidt moved the adoption of the Floor Amendment No. 5 to the Committee Substitute to **HB 295.**

On the roll call the vote was yeas 22-Allen, Caldwell, Endicott, Ford, Freibert, Fryman, Guenthner, Haering, Harper, Heleringer, Holbrook, Layman, Lefevers, Lile, Noland, Overstreet, Patrick, Rattliff, Robinson, Schmidt, Todd, Turner. Nays 71-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Gray, Hancock, Handy, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington.

Floor Amendment No. 5 to the Committee Substitute to **HB 295** was rejected.

Representative Guenthner moved the adoption of the Floor Amendment No. 2 to **HB 295.**

Representative Clarke inquired whether Floor Amendment No. 2 was germane to the Committee Substitute to **HB 295.**

Representative Overstreet inquired whether Floor Amendment No. 2 pertained to the Committee Substitute to **HB 295.**

The Speaker ruled Floor Amendment No. 2 related to the original **HB 295** and did not relate to the Committee Substitute to **HB 295.**

Representative Guenthner moved that the rules be suspended to allow Floor Amendment No. 2 to **HB 295** to be corrected to pertain to the Committee Substitute to **HB 295.**

The Speaker ruled Representative Guenthner's motion out of order.

Representative Guenthner and Van Horn appealed the ruling of the Chair.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Handy, Harper, Head, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Williams, Worthington. Nays 13-Allen, Cowan, Ford, Fryman, Guenthner, Haering, Heleringer, Lefevers, Lile, Patrick, Rattliff, Schmidt, Todd.

The ruling of the Chair was upheld.

Speaker Richardson presiding.

Representative Cowan moved that the Rules be suspended.

The Speaker ruled the motion out of order.

Representative Clarke moved that **HB 295,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 84-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 11-Allen, Endicott, Fryman, Guenthner, Haering, Heleringer, Lefevers, Lile, Noland, Patrick, Schmidt.

HB 295, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 295,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 119, SB 219, SB 222, SB 229, SB 233, SB 255, SB 266, SB 271,** and **SJR 27** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:30 p.m.)

Orders of the Day (continued)

HB 475, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 475.** Agreed.

Representative Clarke moved that **HB 475,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 89-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 475, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 475,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 806 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Richardson moved that **HB 806** be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Holbrook, Johnson, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, McBee, McNutt, Meyer, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 2-Moberly, Williams.

HB 806 was passed and the title agreed to.

Representative P. Richardson moved that the vote by which **HB 806** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 821, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved that Floor Amendment No. 1 to **HB 821** be withdrawn. Agreed.

Representative Williams moved the adoption of the Floor Amendment No..2 to **HB 821.** Agreed.

Representative Williams moved that **HB 821,** as amended, be passed.

On the roll call the vote was yeas 33-Barrows, Bendl, Bennett, Blevins, Bruce, Clark, Clarke, Crupper, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Gray Haering, Hancock, Hines, Kenton, Kidd, Little, Maggard, Mann, McBee, Meyer, Perkins, Priddy, B. Richardson, Stone, Thomas, Van Horn, White, Williams, Yates. Nays 27-Allen, Boswell, Brinkley, Burnette, Caldwell, Craddock, Ellington, Farrow, Ford, Freibert, Fryman, Harper, Layman, List, McNutt, Moberly, Morris, Noland, Overstreet, Pearman, Petty, Rattliff, Seum, Thomason, Tobin, Todd, Turner.

HB 821, as amended, was defeated.

HB 684, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Floor Amendment No. 1 to **HB 684.** Agreed

Representative Kenton moved that **HB 684,** as amended, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Gray, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Layman, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, Seum, Stone, Thomas, Todd, Van Horn, White, Worthington, Yates. Nays 1-Haering.

HB 684, as amended, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 684,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thompson presiding.

Senate Message

HB 83 returned with the following letter: The Senate has refused to recede from its Amendments to **HB 83** and respectfully returns it to this Honorable Body with the request that it reconsider and concur in the Senate Amendments.

SB 145 returned with the following letter: The Senate has refused to concur in the House Amendment to **SB 145** and is respectfully returning it to this Honorable Body with the request that it recede from its Amendment.

Orders of the Day (continued)

HB 397, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of the Floor Amendment No. 1 to **HB 397.** Agreed.

Representative Worthington moved that **HB 397,** as amended, be passed.

On the roll call the vote was yeas 40-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Burnett, Clapp, Clarke, Cline, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Guenthner, Handy, Heleringer, Kenton, LeMaster, List, Maggard, Mann, McBee, Meyer, Moberly, Nett, Overstreet, Pearman, Perkins, Petty, Priddy, Riner, Van Horn, Williams, Worthington. Nays 26-Brinkley, Bruce Caldwell, Craddock, Crupper, Endicott, Farrow, Foster, Freibert, Fryman, Hancock, Layman, Lile, McNutt, Morris, O'Brien, Patrick, Rapier, Rattliff, Richards, P. Richardson, Stone, Tobin, Turner, White, Yates.

HB 397, as amended, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 397,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 531, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Committe Substitute to **HB 531.** Agreed.

Representative LeMaster moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **HB 531.** Agreed.

Representative LeMaster moved that **HB 531,** as amended, be passed.

Representative Burnette moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **HB 531.**

Representative Gray inquired whether Floor Amendment No. 2 to **HB 531** was germane.

The Speaker ruled Floor Amendment No. 2 to **HB 531** was germane.

On the roll call the vote was yeas 44-Allen, Blevins, Bruce, Burnette, Caldwell, Clapp, Crupper, Curd, Dawahare, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Holbrook, Johnson, Layman, Lefevers, Lile, List, Long, Morris, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Rapier, Rattliff, Riner, Robinson, Schmidt, Todd, Turner, Worthington. Nays 45-Barrows, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Burch, Clark, Clarke, Cowan, Craddock, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Handy, Hines, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, Perkins, Priddy, Richards, B. Richardson, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates.

Floor Amendment No. 2 to **HB 531** was rejected.

Representative LeMaster moved that **HB 531,** as amended, be passed.

On the call the vote was yeas 58-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Gray, Handy, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, Pearman, Perkins, Petty, Priddy, Richards, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 28-Allen, Barrows, Caldwell, Crupper, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Haering, Harper, Heleringer, Holbrook, Layman, Lefevers, Lile, List, Noland, O'Brien, Overstreet, Patrick, Rapier, Rattliff, Robinson, Schmidt, Todd, Turner.

HB 531, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 531,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 264, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved the adoption of the Floor Amendment No. 5 to **HB 264.**

On the roll call the vote was yeas 53-Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Farrow, Gray, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Worthington, Yates. Nays 16-Allen, Caldwell, Clapp, Donnermeyer, Ford, Foster, Guenthner, Haering, Harper, Layman, Lefevers, McNutt, Pearman, Petty, Rattliff, Schmidt.

Floor Amendment No. 5 to **HB 264** was adopted.

Representative Worthington moved the adoption of the Floor Amendment No. 6 to **HB 264.** Agreed.

Representative Worthington moved that **HB 264,** as amended, be passed.

On the roll call the vote was yeas 21-Arnold, Bennett, Blevins, Clapp, Clark, Crupper, Dawahare, Ellington, Handy, Head, Heleringer, Holbrook, Little, Meyer, Perkins, Rapier, F. Smith, Thomas, Van Horn, Williams, Worthington. Nays 45-Blandford, Boswell, Brinkley, Bruce, Caldwell, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Deskins, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Harper, Johnson, R. Jones, T. Jones, Layman, Lefevers, Lile, List, Long, McBee, Moberly, Moore, Morris, Noland, Overstreet, Patrick, Pearman, Rattliff, Stone, Thomason, Tobin, Turner, White, Yates.

HB 264, as amended, was defeated.

Senate Message

Announcing passage of **HB 140,** with Senate Amendments, and **HB 532.**

Orders of the Day

HB 732, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved the adoption of the Floor Amendment No. 1 to **HB 732.** Agreed.

Representative Rapier moved that **HB 732,** as amended, be passed.

On the roll call the vote was yeas 62-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Freibert, Gray, Hancock, Handy, Harper, Holbrook, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, Meyer, Moberly, Morris, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Williams, Yates. Nays 5-Endicott, Haering, Patrick, Van Horn, Worthington.

HB 732, as amended, was passed and the title agreed to.

Representative Rapier moved that the vote by which **HB 732,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 369, with Committee Substitute, Committee Amendments, and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins, moved the adoption of the Committee Substitute to **HB 369.** Agreed.

Representative Riner moved that the rules be suspended for the purpose of correcting a technical error on Floor Amendment No. 2 to **HB 369.** Rejected.

Representative Riner moved the adoption of the Committee Amendment No. 2 to **HB 369.** Rejected.

Representative Blevins moved the adoption of the Committee Amendment No. 3 to **HB 369.** Agreed.

Representative Blevins moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 369.** Agreed.

Representative Blevins moved that **HB 369,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 61-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Foster, Freibert, Gray, Hancock, Handy, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Lefevers, Lile, Little, Long, Maggard, McBee, Meyer, Moberly, Moore, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Richards, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 16-Allen, Burnette, Dunn, Ellington, Endicott, Fryman, Guenthner, Haering, Harper, T. Jones, Layman, Patrick, Rapier, P. Richardson, Robinson, Todd.

HB 369, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Blevins moved that the vote by which **HB 369,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 657, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of Floor Amendment No. 3 to **HB 657.** Agreed.

Representative LeMaster moved that **HB 657,** as amended, be passed.

On the roll call the vote was yeas 58-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Burch, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Gray, Guenthner, Haering, Handy, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Lefevers, LeMaster, Lile, Long, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Richards, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, White, Williams, Worthington, Yates. Nays 10-Boswell, Brown, Burnette, Crupper, Farrow, Fryman, Hancock, Harper, Little, Rapier.

HB 657, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 657,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 617, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Substitute to **HB 617.** Agreed.

Representative Barrows moved that **HB 617,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 617, by way of Committee Substitute, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 617,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 464 taken from Order of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved that **HB 464** be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, Lefevers, Lile, Little, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 464 was passed and title agreed to.

Representative Curd moved that the vote by which **HB 464** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 637 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved that **HB 637** be passed.

On the roll call the vote was yeas 83-Allen, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Ellington, Guenthner.

HB 637 was passed and the title agreed to.

Representative Rapier moved that the vote by which **HB 637** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 757 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Tobin moved that **HB 757** be passed.

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Worthington, Yates. Nays 7-Allen, Caldwell, Harper, Lefevers, Meyers, Moore, Van Horn.

HB 757 was passed and the title agreed to.

Representative Tobin moved that the vote by which **HB 757** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 17 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **SB 17** be passed.

On the roll call the vote was yeas 84-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Allen, Arnold, Guenthner.

SB 17 was passed and the title agreed to.

Representative Hancock moved that the vote by which **SB 17** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 51 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative F. Smith moved that **HB 51** be passed.

On the roll call the vote was yeas 80-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Kenton, Kidd, LeMaster, Lile, Little, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 51 was passed and the title agreed to.

Representative F. Smith moved that the vote by which **HB 51** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 206, HB 346, HB 532, HB 572,** and **HCR 46** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker Pro Tempore. (Time - 5:20 p.m.)

Orders of the Day (continued)

SB 220, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 220** be passed.

Representative Boswell moved the adoption of the Floor Amendment No. 1 to **SB 220**. Agreed.

Representative Deskins moved that **SB 220,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Freibert, Gray, Haering, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Yates. Nays 0.

SB 220, as amended, was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 220,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 107 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 107** be passed.

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Little, Long, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Worthington, Yates. Nays 0.

SB 107 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 107** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 131 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **SB 131** be passed.

On the roll call the vote was yeas 80-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 3-Haering, Heleringer, Moore.

SB 131 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **SB 131** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 247 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 247** be passed.

On the roll call the vote was yeas 74-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Layman, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 3-Clapp, Farrow, Hancock.

SB 247 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 247** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 150 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 150** be passed.

On the roll call the vote was yeas 77-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, T. Jones, Layman, LeMaster, Lile, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 4-Allen, Burnette, Guenthner, Holbrook.

SB 150 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 150** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 315 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **SB 315** be passed.

On the roll call the vote was yeas 69-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Layman, Lefevers, Lile, Long, McBee, Meyer, Moore, Nett, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 7-Barrows, Bendl, J. Clarke, McNutt, Moberly, Noe, Overstreet.

SB 315 was passed and the title agreed to.

Representative Arnold moved that the vote by which **SB 315** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 429, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that the House concur in the following Senate Amendment No. 1 to **HB 429.**

Amend printed copy of **HB 429** on page 5, line 13 following the letters "KRS" delete "242" and insert in lieu thereof the numerals "424"; and on page 8, line 24, following the word "solid" and before the hyphen delete the word "eight" and insert in lieu thereof the word "nine".

Agreed.

Representative Long moved the adoption of the following Senate Amendment No. 2 to **HB 429:**

Amend printed copy of **HB 429** on page 1, by deleting the Title and inserting in lieu thereof the following: "AN ACT relating to local governments."

Agreed.

Representative Long moved that the House refuse to concur in the following Senate Amendment No. 3 to **HB 429** and ask the Senate to recede.

Amend printed copy of **HB 429** on page 12, line 7, after the word "that" by inserting the following: "*the salaries and commissions paid to all city or county employes and officers shall be shown only as lump sum expenditures by cost categories and not individually, and only the lump sum amount paid for all public utilities*";

and on line 7, by placing a bracket "[" before the word "only";

and on line 9, by placing a bracket "]" after the word "bills" and by placing brackets around the word "to";

and on line 24, after "employes." by inserting the following: "*The governing body of any city or county shall maintain for public scrutiny a factual list of individual salaries and commissions paid to its employes and officers, and the sworn statement as herein required shall indicate the availability and location of such list.*"

The Senate respectfully requests concurrence of this Honorable Body.

Agreed.

HB 426, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that the House refuse to concur in the following Senate Amendment No. 2 to **HB 426** and ask the Senate to recede.

Amend printed copy of **HB 426** on page 5, line 11, after the word "Louisville," by inserting the following: "*the Northern Kentucky University Chase Law School Library, three (3) copies.*"

Agreed.

HB 413, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved that the House concur in the following Senate Amendment No. 1 to **HB 413.**

Amend printed copy of **HB 413** on page 1, line 16 by deleting "*Two (2) members appointed from the state-at-large, one (1) appointment*"; and by inserting in lieu thereof, "*One member shall be appointed from the state-at-large*"; and

on page 1, line 19, by deleting "*appointment*", and by inserting in lieu thereof: "*member shall be appointed from the state-at-large*"; and

on page 3, line 5, after the word "filled" by deleting "by the governor, who shall appoint a person"; and on page 3, by deleting lines 6 and 7 in their entirety; and by inserting in lieu thereof the following: "*pursuant to the requirements and procedures for original appointments.*"

Agreed.

Representative LeMaster moved that **HB 413,** as amended by the Senate, be passed.

On the roll call the vote was yeas 72-Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Riner, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 1-Robinson.

HB 413, as amended by Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 413,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 492, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that the House concur in the following Senate Amendment No. 1 to **HB 492.**

Amend printed copy of **HB 492** on page 5, line 18, by deleting the word "*discuss*" and substituting in lieu thereof the word "dismiss".

Agreed.

Representative LeMaster moved that **HB 492,** as amended by the Senate, be passed.

On the roll call the vote was yeas 62-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Foster, Gray, Guenthner, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Rapier, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, White, Worthington, Yates. Nays 14-Allen, Burnette, Dawahare, Ellington, Farrow, Fryman, Haering, Heleringer, Little, Maggard, McNutt, Todd, Turner, Van Horn.

HB 492, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 492,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 308, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that the House concur in the following Senate Amendment No. 2 to **HB 308.**

Amend printed copy of **HB 308** on page 13, line 24, delete "*six (6)*" and in lieu thereof add "*eleven (11)*".

On the roll call the vote was yeas 53-Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Burch, Burnette, Caldwell, Clapp, Cline, Cowan, Craddock, Curd, Deskins, Dunn, Foster, Haering, Handy, Harper, Head, Hines, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Long, Mann, McBee, Meyer, Nett, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Todd, Turner, White, Worthington. Nays 25-Allen, Bruce, P. Clark, Crupper, Cyrus, Dawahare, Ellington, Endicott, Farrow, Freibert, Fryman, Gray, Guenthner, Hancock, Kenton, Little, Maggard, McNutt, Moberly, Moore, Morris, Noe, Noland, Stone, Van Horn.

The motion that the House concur in the Senate Amendment No. 2 to **HB 308** was adopted.

Representative LeMaster moved that **HB 308,** as amended by the Senate, be passed.

On the roll call the vote was yeas 68-Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Fryman, Haering, Hancock, Handy, Harper, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moore, Nett, Noe, Pearman, Perkins, Petty, Rapier, Richards, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Worthington. Nays 9-Allen, Bruce, Cyrus, Ellington, Freibert, Gray, McNutt, Moris, Van Horn.

HB 308, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 308,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 424, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that the House concur in the following Senate Amendment No. 1 to **HB 424.**

Amend printed copy of **HB 424** on page 2, line 24, after the word "applicant" by deleting the word "shall" and inserting in lieu thereof the word "may".

Agreed.

Representative LeMaster moved that **HB 424,** as amended by the Senate, be passed.

On the roll call the vote was yeas 71-Arnold, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Harper, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Worthington. Nays 6-Fryman, Holbrook, Lefevers, Lile, Moore, Todd.

HB 424, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 424,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 325, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that the House concur in the following Senate Amendment No. 1 to **HB 325.**

Amend printed copy of **HB 325** on page 2, after line 15, by adding the following: "*(6) Veterinarians from the county, when available.*"; and

on page 2, line 20, following "*nurse*" by inserting a comma ","; and

on page 2, line 21, by deleting "*and*"; and

on page 2, line 21, following "*dentist*" by adding "*and one (1) veterinarian, when available*".

Agreed.

Representative LeMaster moved that **HB 325,** as amended by the Senate, be passed.

On the roll call the vote was yeas 60-Arnold, Bendl, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Mann, McBee, Meyer, Moore, Morris, Nett, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, F. Smith, Stumbo, Thomas, Todd, Turner, Van Horn, White. Nays 13-Ellington, Endicott, Fryman, Layman, Lefevers, Maggard, McNutt, Moberly, Noe, Noland, Robinson, Thomason, Tobin.

HB 325, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 325**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 339, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the House concur in the following Senate Amendment No. 1 to **HB 339**.

Amend printed copy of **HB 339** on page 4, line 25, after the word "*Section*" by deleting the numeral "*10*" and inserting in lieu thereof "*8*".

Agreed.

Representative Johnson moved that the House concur in the Senate Amendment No. 6 to **HB 339**.

Amend printed copy of **HB 339** on page 5, line 22 by inserting after the word "*Act.*" the following new language:

"*(3) Nothwithstanding any statute to the contrary, nothing in this Act shall be construed as prohibiting a physician from prescribing or a woman from using birth control methods or devices, including, but not limited to, intrauterine devices, oral contraceptives, or any other birth control method or device.*"

Agreed.

Representative Johnson moved that the House concur in the following Senate Amendment No. 9 to **HB 339**.

Amend printed copy of **HB 339** on page 18, line 7 by deleting line 7 in its entirety and by relettering the subsequent paragraphs "*(m)*" through "*(q)*" as "*(l)*" through "*(p)*".

Agreed.

Representative Johnson moved that **HB 339**, as amended by the Senate, be passed.

On the roll call the vote was yeas 67-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Holbrook, Johnson, Layman, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Worthington. Nays 14-Barrows, Bendl, Brown, Clarke, Cowan, Gray, Handy, Hines, R. Jones, T. Jones, LeMaster, Moberly, Noe, Thomason.

HB 339, as amended by the Senate, was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 339**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 41 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Perkins moved that **SJR 41** be adopted.

On the roll call the vote was yeas 43-Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Dunn, Endicott, Fryman, Gray, Holbrook, R. Jones, Kenton, Kidd, Lefevers, Little, Maggard, McBee, Meyer, Moore, Morris, Noland, Perkins, Petty, Rapier, Riner, Robinson, Stone, Stumbo, Thomas, Turner, Van Horn, White, Worthington. Nays 18-Caldwell, J. Clarke, Craddock, Farrow, Foster, Freibert, Haering, Hancock, Harper, Head, Johnson, Long, Moberly, O'Brien, Pearman, P. Richardson, Schmidt, B. Smith.

SJR 41 was adopted and the title agreed to.

Representative Perkins moved that the vote by which **SJR 41** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 112, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that the House concur in the following Senate Amendment No. 4 to **HB 112.**

Amend printed copy of **HB 112** on page 3, line 3, after "(d)" by adding: "*The position of the Commonwealth was substantially justified or a*" and by deleting "*A*"; and

on page 3, line 4, after "*unjust*" by adding: "*provided, however, that the burden of proof of substantial justification or special circumstance shall rest with the Commonwealth.*"; and

on page 3, line 13, after "*computed.*" by adding: "*The party shall also allege in such application that the Commonwealth acted without substantial justification.*"

Agreed.

Representative Morris moved that the House concur in the following Senate Amendment No. 2 to **HB 112.**

Amend printed copy of **HB 112** on page 2, line 16, by deleting the period after the word "decision" and adding the language ", where the original administrative action was brought by the Commonwealth against the party."

Agreed.

Representative Morris moved that **HB 112,** as amended by the Senate, be passed.

On the roll call the vote was yeas 69-Arnold, Barrows, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Cline, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, F. Smith, Stone, Stumbo, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 7-Bendl, Clarke, Cyrus, Gray, T. Jones, McNutt Tobin.

HB 112, as amended by the Senate, was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 112,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the vote on **HB 308,** as amended by the Senate, be reconsidered. Agreed.

HB 203, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative White moved that the House concur in the following Senate Amendment No. 1 to **HB 203.**

Amend printed copy of **HB 203** on page 2, line 3, delete the following: "*less than thirty (30) days*"; and

on page 2, line 3, after the word "*not*" insert the following: "*later than April 15*" and

on page 2, line 7, delete the words "*next*" and "*year*"; and

on page 2, line 7, after the word "*school*" insert "*term*".

Agreed.

Representative LeMaster moved that **HB 203,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, Stone, Stumbo, Thomason, Todd, Van Horn, White, Worthington. Nays 0.

HB 203, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 203,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Richardson presiding.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Title Amendment to Committee Substitute No. 2 to **HB 92,** by Representative Stumbo:

Amend printed copy of Committee Substitute No. 2 to **HB 92** on page 1, title line, by amending the title to read as follows: "AN ACT relating to transportation of natural resources."

Floor Amendment No. 1 to Committee Substitute No. 2 to **HB 92** by Representative Thomas:

Amend printed copy of Committee Substitute No. 2 to **HB 92** on page 2, line 25, following "KRS 143A.050", by inserting the following: "*And who elects to apply for a resource recovery road hauling permit*"; and

on line 26, following the word "permit", by deleting the words "upon application".

Floor Amendment No. 7 to Floor Amendment No. 5 to the Committee Substitute to **HB 295,** by Representative Schmidt:

Amend printed copy of Floor Amendment No. 5 to House Committee Substitute to **HB 295** on page 1, after the word "clause" on line 1 insert the following: "on page 1, through line 24 on page 70".

Floor Amendment No. 1 to **HB 412,** by Representative Meyer:

Amend printed copy of **HB 412** on page 14, line 22, after the period, by adding the following:

"Section 7. KRS 82.405 is amended to read as follows:

(1) Upon the adoption of an ordinance by the city legislative body closing the whole or any portion of a public way, the city shall institute an action in the circuit court to have it closed. All the owners of property in or abutting that public way, or the portion proposed to be closed, shall be made defendants.

(2) If all defendants fail to object to the closing within twenty (20) days after the date of service, the court shall render a decree accordingly, but if any defendant objects within that time, the court shall award damages, if any, in the same manner as prescribed by the eminent domain act of Kentucky and shall direct that the public way be closed upon payment into court of the amount awarded. The court shall give these proceedings precedence over other cases.

(3) The civil action required in subsection (1) shall not be instituted by the city within sixty (60) days of the publication of the ordinance, and the circuit court shall not enter a judgment closing the street or any portion thereof, if a petition objecting to the closing and signed by more than two hundred (200) registered voters in the city is presented to the mayor or legislative body of the city within sixty (60) days of the publication of the ordinance or within sixty (60) days of July 15, 1982, unless the closing is approved by a majority of the registered voters of the city who vote on the question at the next general election."

Floor Amendment No. 2 to **HB 412,** by Representative Stumbo:

Amend printed copy of **HB 412** on page 1, after the enacting clause, by deleting Sections 1-6 in their entirety and inserting the following in lieu thereof:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.

(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation. On or before August 15, 1983 and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources have been transported as reported in the transportation plan required by KRS 143.030(1). The department shall further publish the total county mileage of the official natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county.

(3) "Natural resources," for purposes of this Act, shall mean all forms of minerals including but not limited to rock, stone, limestone, coal, shale, gravel, sand, clay, oil, fluorspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

SECTION 2. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Any individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources, who has filed an application for a certificate of registration in accordance with KRS 143.030 or 143A.050 and who elects to apply for a resource recovery road hauling permit, shall be issued a permit upon application. Any operator shall apply for the resource recovery road hauling permits by September 1, 1982, and remit the appropriate fees on or before October 1, 1982. After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time and in the same manner as the tax levied under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources transported by the permittee

over the roads of the Commonwealth, except as provided by in Section 5(4) of this Act. For purposes of this section, "gross value" shall mean gross value as defined in KRS 143.010(6) and 143A.010(5).

(5) No person shall transport natural resources over the highways of the Commonwealth in excess of the weight limits without possessing a resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 2 of this Act.

(2) The form prescribed by the department shall include the following information:

(a) Resource recovery road hauling permit number;

(b) Weight of the vehicle including load;

(c) Motor carrier registration number and the name of the motor carrier operator;

(d) The name of the mining company or individual operator;

(e) The motor carrier destination; and

(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 3(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members, three (3) to be appointed by the governor from a list submitted by the secretary of the department of transportation, and one (1) each to be appointed by the speaker of the house of representatives and the president pro tem of the senate. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year; two (2) members shall be appointed for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition; the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

SECTION 5. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 2(4) of this Act, state appropriations gift, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 2(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, may review said operator's transportation plan; if it is determined that the roads and bridges included in said plan are sufficient to withstand proposed traffic volume, the secretary may allow the issuance of a permit at a reduced fee. The fee shall not be lower than one-tenth (1/10) of one (1) percent, except that any operator whose transportation plan limits use of county resource recovery roads or state roads or highways to five hundred (500) yards or less shall pay no fee.

SECTION 6. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the transportation plans as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the transportation plan as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 2(4) of this Act and distribute said funds in accordance with the provisions in Section 8 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road systems within six (6) months of receipt of the distributed funds. Any distributed funds not expended within six (6) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 7. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 2(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of total resource recovery mileage in a county as designated by the transportation plan filed under KRS 350.060 and the ratio of total resource recovery road mileage as designated by said plan.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program."

Floor Amendment No. 3 to **HB 412,** by Representative Thomason:

Amend printed copy of **HB 412** on page 3, line 13, following KRS 143A.050 add the following: "and who elects to apply for a resource recovery road hauling permit".

Floor Amendment No. 4 to Floor Amendment No. 2 to **HB 534,** by Representative Worthington:

Amend printed copy of Amendment No. 2 to **HB 534** on page 2, by deleting subsection (16) thereon and inserting in lieu thereof the following language:

"*(16) "Unmined minerals" means all forms of minerals which have not yet been mined or removed from the earth for which there exists:*

i. a method of extraction of the unmined mineral in common usage in the industry; and

ii. a current market for the unmined mineral if extracted; or

iii. a processing facility currently extracting, concentrating or otherwise producing a substance for which there is a current market; and

iv. transportation facilities for the extracted mineral to a current market or existing processing facility.

but excluding oil, natural gas, and natural gas liquids and shale from which such substances can be extracted which are contained in or on the soils or waters of this state."

Floor Amendment No. 1 to Committee Substitute to **HB 617,** by Representative Bennett:

Amend printed copy of Committee Substitute to **HB 617** on page 1, lines 9 through 12, by bracketing and striking through "of retail stores engaged in work connected with selling, purchasing and distributing merchandise, wares, goods, articles or commodities or to employes".

Floor Amendment No. 2 to Committee Substitute to **HB 617,** by Representative Bennett:

Amend printed copy of Committee Substitute to **HB 617** on page 1, lines 11 through 12, by bracketing and striking through "or to employes of restaurant, hotel and motel operations".

Floor Amendment No. 2 to Committee Substitute to **HB 783,** by Representative P. Richardson:

Amend printed copy of Committee Substitute to **HB 783** on page 8, line 3, by deleting the words "*Bids shall be reviewed by the*" and by deleting lines 4 and 5 in their entirety.

Floor Amendment No. 1 to **SB 3,** by Representative Harper:

Amend printed copy of **SB 3** on page 10, line 9, by inserting in front of the word "*and*" the following:

"*(d) Any Act which requires the examination, diagnosis treatment of diseases, conditions or malfunctions affecting the human foot and its related or governing structures;*

(e) Any Act which requires the use of surgical or mechanical procedures in the treatment of the human foot and its related or governing structures;";

and on line 10, by relettering subsection "(d)" as subsection "(f)".

Floor Amendment No. 2 to **SB 74,** by Representative Burnette:

Amend printed copy of **SB 74** on page 3, line 16, by adding the following:

Section 2. KRS 304.9-040 is amended to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to[~~:~~

~~(a)~~] an attorney while licensed to practice [~~and actively practicing~~] law in this state[~~; or~~

~~(b) An insurance actuary, and as such a member or associate of the society of actuaries or academy of actuaries.~~

~~(c) An employe who is an employe of a corporation other than an insurance company which provides actuarial services provided such corporation employs on a full time basis one or more members of the society of actuaries or academy of actuaries~~].

(2) A "general lines consultant" is one licensed as a consultant as to any one or more of the following kinds of insurance:

(a) Casualty insurance.

(b) Property insurance.

(c) Surety insurance.

(d) Marine and transportation insurance.

(e) [~~Title insurance.~~

~~(f)~~] Health insurance.

(f)[~~(g)~~] Mortgage guaranty insurance.

(3) A "life *and health* consultant" is one licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 3. KRS 304.9-080 is amended to read as follows:

(1) No person shall in this state be, act as, or hold himself out as an agent, solicitor, consultant, or adjuster (other than company staff adjusters) unless then licensed as an agent, solicitor, consultant, or adjuster respectively.

(2) No agent, or solicitor shall solicit or take applications for, procure or place for others any kind of insurance as to which he is not then licensed. No consultant shall act as such with respect to any kind of insurance as to which he is not then licensed as a consultant.

(3) A consultant license must cover either or both of the following categories, as selected by the licensee:

(a) General lines.

(b) Life *and health* [~~insurance, annuities and health insurance~~].

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category[~~, and shall not be licensed as an agent or solicitor~~].

(4) *No person licensed as a consultant shall act as a consultant until he has filed with the commissioner a bond or insurance as prescribed in KRS 304.9-330.*

(5) Except as provided in KRS 304.9-410, no agent shall place any insurance with any insurer as to which he does not then hold a license and appointment as agent under this subtitle.

(6)[~~(5)~~] The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 4. KRS 304.9-330 is amended to read as follows:

(1) Every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:

(a) The certificate of an insurer authorized to write legal liability insurance in this state, that such insurer has and will keep in effect on behalf of such a person a policy of insurance covering the legal liability of such licensed person as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and enuring to the benefit of any aggrieved party as the result of any single such occurrence in the sum of not less than ten thousand dollars ($10,000) and fifty thousand dollars ($50,000) in the aggregate for all such occurrences within one (1) year, and that such policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or

(b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write such business in this Commonwealth, in the sum of ten thousand dollars ($10,000) which shall be subject to lawful levy of execution by any party to whom the licensed person has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant [~~, a bond issued by an authorized surety insurer in favor of the commonwealth of Kentucky, continuous in form and providing for aggregate liability of $5,000~~].

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as such licensee.

(3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 5. KRS 304.9-350 is amended to read as follows:

(1) A consultant *who is also licensed as an agent* shall not, directly or indirectly, receive or share in *both a fee and other* [~~any commission or~~] compensation paid, directly or indirectly, *from an insured or* [~~by~~] any insurer with respect to any insurance or annuity contract procured, renewed, continued, modified, terminated, or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee under *this* [~~his~~] license *or any license issued under this code; but this subsection shall not preclude any consultant or agent from receiving or sharing in both a fee and other compensation for services rendered in connection with the administration of a pension, profit-sharing, group life insurance, group health insurance, or deferred compensation plan.*

(2) If the licensee has received or is to receive any fee, commission, or compensation from the insured or proposed insured, or from any other person other than the insurer, directly or indirectly, with respect to any insurance transaction or proposed insurance transaction, or with respect to any insurance or annuity contract existing or proposed, it shall conclusively be presumed that the licensee was acting as a consultant with respect to such transaction or contract.

(3) *No person licensed as a consultant under this section may receive any fee, commission or thing of value for examining, appraising, reviewing or evaluating any insurance policy, bond, annuity or pension or profit-sharing contract, plan or program or for making recommendation or giving advice with regard to any of the above, unless such compensation is based upon a prior written agreement signed by the party to be charged and specifying or clearly defining the amount or extent of such compensation and the services to be rendered. A copy of every such agreement shall be retained by the licensee for not less than five (5) years after such services have been fully performed.*

(4) A person licensed as a consultant under this section shall disclose in the agreement to the party to be charged whether he owns an interest in an insurance agency.

(5) No person licensed as a consultant may receive any compensation, direct or indirect, as a result of:

(a) The sale of insurance or annuities to; or

(b) The use of securities or trusts in connection with pensions for any person to whom any such licensee has performed any related consulting service for which he has received a fee or contracted to receive a fee within the preceding twelve (12) months unless such compensation is provided for in the agreement required.

(6) No person licensed as an insurance consultant under this section may be an executive in, or employe of, or own stock which gives him a majority interest, direct or indirect, in any authorized insurer. No consultant may recommend or encourage the purchase of insurance, annuities, or securities from any authorized insurer in which any member of his immediate family holds an executive position or holds a majority interest [~~In addition to any applicable suspension, revocation, or refusal to continue the licensee's license, violation of this section shall, upon conviction, be punishable by a fine of not over $5,000 or by imprisonment for not more than one (1) year, or by both such fine and imprisonment~~].

SECTION 6. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No insurer, insurance agent, surplus lines broker, solicitor, adjuster, or consultant shall pay directly or indirectly, any commission, brokerage, or other valuable consideration to any person for services as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant within this state, unless such person held at the time such services were performed a valid license for that line of insurance as required by the laws of this state for such services; nor shall any person, other than a person duly licensed by this state as an insurance agent, surplus lines broker, solicitor, adjuster, or consultant at the time such services were performed, accept any such commission, brokerage, or other valuable consideration. Provided, that this section shall not prevent payment or receipt of renewal or other deferred commissions to or by any person entitled thereto under this section.

SECTION 7. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In addition to any applicable suspension, revocation, or refusal to continue the consultant's license, violation of KRS 304.9-350 shall, upon conviction, be punishable by a fine of not more than five thousand dollars ($5,000), or by imprisonment up to one (1) year, or by both.

Section 8. The following KRS sections are repealed:

304.9-420 Sharing of commissions.

304.9-340, Combined licensing prohibited."

Floor Amendment No. 2 to **SB 96,** by Representative Mann:

Amend printed copy of **SB 96** on page 2, after line 19, by adding the following section:

"Section 2. KRS 342.730 is amended to read as follows:

(1) Income benefits for disability shall be paid to the employe as follows:

(a) For total disability, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than one hundred percent (100%) of the state average weekly wage and not less than twenty percent (20%) of the state average weekly wage as determined in KRS 342.740 during such disability.

(b) For permanent, partial *functional impairment* [~~disability~~], sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740, multiplied by his percentage of disability caused by the injury or occupational disease as determined by "guides to the evaluation of permanent impairment," American medical association, 1977 edition, [~~or by his percentage of disability as determined under KRS 342.620 (11), whichever is greater,~~] for a maximum period, from the date the disability arises, of four hundred twenty-five (425) weeks[~~, but such benefits shall not be paid after the employe becomes eligible for normal old age benefits under the federal old age, survivors and disability insurance act~~]. Any temporary total disability period within the maximum period for permanent, partial disability benefits shall not extend the maximum period nor make payable a weekly benefit exceeding that determined in subsection (1)(a) of this section. Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

(c) For permanent, partial occupational disability, when it is determined that the provisions of KRS 342.620 (11) are applicable, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740, multiplied by his percentage of disability caused by the injury or occupational disease. Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

(2) The period of any income benefits payable under this section on account of any injury shall be reduced by the period of income benefits paid or payable under this chapter on account of a prior injury if income benefits in both cases are for disability of the same member or function, or different parts of the

same member or function, and the income benefits payable on account of the subsequent disability in whole or in part would duplicate the income benefits payable on account of the pre-existing disability.

(3) When an employe, who has sustained disability compensable under this section, and who has filed, or could have timely filed, a valid claim in his lifetime, dies from causes other than the injury before the expiration of the compensable period specified, the income benefits specified and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in this section, to and for the benefit of the persons within the classes at the time of death and in the proportions and upon the conditions specified in this section and in the order named:

(a) To the widow or widower, if there is no child under the age of 18 or incapable of self-support; or

(b) If there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

(c) If there is no such widow or widower but such a child or children, then to such child or children; or

(d) If there is no survivor in the above classes, then the parent or parents wholly or partly actually dependent for support upon the decedent, or to other wholly or partly actually dependent relatives listed in paragraph (g) of subsection (1) of KRS 342.750 or to both, in such proportions as the board may provide by regulation."

Floor Amendment No. 1 to **SB 103,** by Representative B. Richardson:

Amend printed copy of **SB 103** on page 24, line 1, by adding the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) If spouses both serve in the General Assembly, but not simultaneously, they may combine their service credit in the legislators retirement plan for all purposes of that plan into a single account, and may jointly designate to whom the service retirement allowance shall be paid. The designation shall not be changed once it is made. Assuming equal service credit, the benefits paid, pursuant to this section, to a legislator and his or her spouse who also served as a legislator shall not exceed the benefits that the same legislator and his or her spouse would receive if the spouse had not served as a legislator.

(2) In the event of divorce, rights to benefits shall be considered marital property subject to the provisions of KRS 403.190.

(3) A former legislator whose spouse currently serves in the General Assembly and who received a refund of contributions pursuant to KRS 21.460 may repurchase service credit which he or she previously had by repaying the amount refunded with interest at six percent (6%) per annum, and such service credit shall become part of the single account authorized by subsection (1) of this section."

Floor Title Amendment No. 1 to **SB 138,** by Representative Bennett:

Amend printed copy of **SB 138** on the Title page, after "relating to" delete "primary election date" and insert in lieu thereof "elections".

Floor Title Amendment No. 2 to Committee Substitute to **SB 138,** by Representative Bennett:

Amend printed copy of House Committee Substitute to **SB 138** on the Title page, after "relating to" delete "primary election date" and insert in lieu thereof "elections".

Floor Amendment No. 1 to Committee Substitute to **SB 138,** by Representative Bennett:

Amend printed copy of Committee Substitute to **SB 138,** after "Section 2." insert the following: "KRS 116.127 is amended to read as follows:

(1) The county board of elections in counties containing a city of the first class shall direct a purge of the voter registration list to be conducted every two (2) years between *May 1 and May 15* [~~July 1 and July 15~~], beginning in *May, 1984* [~~July, 1978~~]. In each precinct the purge shall be conducted jointly by a person designated by each of the county executive committees of the two (2) major political parties, under the supervision and direction of the county board of elections. For the purge of the precinct, the designated persons shall be compensated thirty dollars ($30) each by the county board of elections.

(2) Upon completion of the purgation of each precinct, the county board of elections in counties containing a city of the first class shall delete from the county register the name of any voter who is no longer properly registered and notify the voter by mail of its action. If no protest is filed by the voter within thirty (30) days, his name shall be purged. If protest is filed, the county board shall hear the matter at its next regular monthly meeting and either retain or purge the voter's name. If any name is purged, the county board shall inform the state board of elections of its action.

Section 3."

and on page 5, after line 5 by adding the following:

"Section 4. KRS 118.165 is amended to read as follows:

(1) Candidates for offices to be voted for by the electors of one county or of a district less than one county, except members of congress and members of the general assembly, shall file their nomination papers with the county clerk of the county not less than *ninety (90)* [~~fifty-five (55)~~] days before the day fixed by law for holding the primary election. Candidates for offices to be voted for by the electors of more than one county, and for members of congress and members of the general assembly, shall file their nomination papers with the secretary of state not less than *ninety (90)* [~~fifty-five (55)~~] days before the day fixed by law for holding the primary election.

(2) The secretary of state or the county clerk shall examine the notification and declaration form of each candidate. The proper officer shall notify the candidate by regular mail within twenty-four (24) hours of filing that his papers have been certified. If there is an error the officer shall notify the candidate by certified mail within twenty-four (24) hours of filing. Upon receipt of such notice, the candidate shall correct such error not later than seventy-two (72) hours after the filing deadline."

and on line 6, delete "3" and insert in lieu thereof "5";

and on line 26, delete "4" and insert in lieu thereof "6".

Floor Amendment No. 1 to **SB 396,** by Representative Head:

Amend printed copy of **SB 396** on page 1, line 15, by deleting the word "*unsafe*" and substituting therefor "*imminently hazardous*"; and

on page 1, line 18, by deleting "*No other miner*";

and on page 1, line 19, by deleting that line it its entirety;

and on page 1, line 20, by deleting "*is settled.*";

and substituting for the language deleted in lines 18, 19, and 20 the following: "*Other miners may refuse to operate the equipment pending settlement of the dispute.*"

Floor Amendment No. 2 to **SB 138,** by Representative Bennett:

Amend printed copy of **SB 138** on page 4, line 14, after "Section 2." insert the following: "KRS 116.127 is amended to read as follows:

(1) The county board of elections in counties containing a city of the first class shall direct a purge of the voter registration list to be conducted every two (2) years between *May 1 and May 15* [~~July 1 and July 15~~], beginning in *May, 1984* [~~July, 1978~~]. In each precinct the purge shall be conducted jointly by a person designated by each of the county executive committees of the two (2) major political parties, under the supervision and direction of the county board of elections. For the purge of the precinct, the designated persons shall be compensated thirty dollars ($30) each by the county board of elections.

(2) Upon completion of the purgation of each precinct, the county board of elections in counties containing a city of the first class shall delete from the county register the name of any voter who is no longer

properly registered and notify the voter by mail of its action. If no protest is filed by the voter within thirty (30) days, his name shall be purged. If protest is filed, the county board shall hear the matter at its next regular monthly meeting and either retain or purge the voter's name. If any name is purged, the county board shall inform the state board of elections of its action.

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(2) The secretary of state or the county clerk shall examine the notification and declaration form of each candidate. The proper officer shall notify the candidate by regular mail within twenty-four (24) hours of filing that his papers have been certified. If there is an error the officer shall notify the candidate by certified mail within twenty-four (24) hours of filing. Upon receipt of such notice, the candidate shall correct such error not later than seventy-two (72) hours after the filing deadline.";

and on line 6, delete "3" and insert in lieu thereof "5";

and on line 26, delete "4" and insert in lieu thereof "6".

Floor Amendment No. 1 to **SB 149,** by Representative B. Smith:

Amend printed copy of **SB 149** on page 2, after line 25, by adding the following language:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 376 IS CREATED TO READ AS FOLLOWS:

Any person whose real property or personal property thereon is damaged by a motor vehicle trespass shall have a lien on the motor vehicle for the amount of damage sustained by his property, and may detain such motor vehicle which caused the damage until full compensation for the damage has been paid if the vehicle was being operated by the registered owner. The lien must be asserted within thirty (30) days by filing in the office of the county clerk a statement of damage sustained. Action to enforce the lien shall be brought within six (6) months after the cause of action accrued.".

Floor Amendment No. 1 to **SB 173,** by Representative Morris:

Amend printed copy of **SB 173** on page 19, line 16, add the following after "Section 8.": "KRS 161.507 is amended to read as follows:

(1) An active contributing member of the teachers' retirement system may receive credit for active service rendered in the armed forces of the United States subject to regulations established by the board of trustees. Such service may be credited only if discharge was other than dishonorable. Service shall be considered as Kentucky teaching service, except that it may not be used for meeting the service requirements set forth in KRS 161.600(1)(a) or 161.661(1). A maximum of six (6) years of such service may be credited but in no case a greater number of years than the actual years of contributing service in Kentucky.

(2) A member having twenty (20) years or more of active duty in the military service, and who is qualified for regular federal retirement benefits based on such service, may not receive credit for any such service in the teachers' retirement system. This subsection shall apply to service presented for credit on July 1, 1975, and thereafter.

(3) A member receiving retirement credit for active duty in the armed services of the United States shall contribute to the retirement system an amount equal to thirty-five percent (35%) of the actuarial cost for each year of service so credited. In purchasing retirement credit for active duty in the armed services the latest years of service shall be considered first in allowing credit toward retirement. The board of trustees

shall adopt a table of actuarial factors to be used in calculating the amount of contribution required for crediting such service.

(4) A member or an "annuitant" with prior service, who served in the armed forces of the United States for at least three (3) years during World War II, and who received an honorable discharge and returned to teaching upon discharge may purchase Kentucky teaching service for his time spent in the military during World War II, up to a maximum of three (3) years. The member or annuitant may purchase such credit until December 31, 1982 by contributing the current required percentage of salary, based upon his salary immediately before he left for military service, with interest at the rate of three percent (3%) compounded annually from the time he left teaching until the time he deposits his payment. Annuitants shall have their annuity raised appropriately upon their payment.".

and renumber all following sections to conform.

Floor Amendment No. 1 to **SB 203**, by Representative P. Richardson:

Amend printed copy of **SB 203** on page 2, after line 21, by adding the following:

"SECTION 2. A NEW SECTION OF SUBTITLE 15 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this Act:

(a) "Published monthly average" is Moody's corporate bond yield average - monthly average corporates as published by Moody's Investors Service, Inc. or any successor thereto; or in the event that Moody's corporate bond yield average - monthly average corporates is no longer published, a substantially similar average, established by regulation issued by the commissioner.

(b) "Policy loan" includes any premium loan made under a policy to pay one (1) or more premiums that were not paid to the life insurer as they fell due.

(c) "Policyholder" includes the owner of the policy or the person designated to pay premiums as shown on the records of the life insurer.

(d) "Policy" includes certificates issued by a fraternal benefit society organized pursuant to KRS 304.29 and annuity contracts which provide for policy loans.

(2) Notwithstanding any provision to the contrary, policies issued on or after July 15, 1982, shall contain:

(a) A provision permitting a maximum interest rate of not more than eight percent (8%) per annum; or

(b) A provision permitting an adjustable maximum interest rate established from time to time in accordance with this Act.

(3) The rate of interest charged on a policy loan made under paragraph (2)(b) of this section shall not exceed the higher of the following:

(a) The published monthly average for the calendar month ending two (2) months before the date on which the rate is determined; or

(b) The rate used to compute the cash surrender values under the policy during the applicable period plus one percent (1%) per annum.

(4) If the rate of interest is determined pursuant to paragraph (2)(b) of this section, the policy shall contain a provision setting forth the frequency with which the rate is to be determined for that policy. The rate must be determined at regular intervals at least once very twelve (12) months, but not more frequently than once every three (3) months. At the intervals specified in the policy, the rate being charged may be increased whenever such increase would be one-half percent (½%) or more per annum. At the intervals specified in the policy, the rate being charged must be reduced whenever such reduction would be one-half percent (½%) or more per annum.

(5) The life insurer shall:

(a) Notify the policyholder in writing at the time a policy loan is made of the initial rate of interest on the loan;

(b) Send to policyholders with loans reasonable advance notice of any increase or decrease in the rate; and

(c) Include in the notices required above the substance of the pertinent provisions of Sections (2) and (4).

(6) The loan value of the policy shall be determined in accordance with KRS 304.15-110, but no policy shall terminate in a policy year as the sole result of change in the interest rate during that policy year, and the life insurer shall maintain coverage during that policy year until the time at which it would otherwise have terminated if there had been no change in the interest rate during that policy year.

(7) No other provision of law shall apply to policy loan interest rates unless made specifically applicable to such rates.

Section 3. KRS 304.15-130 is amended to read as follows:

There shall be a provision that, unless the policy has been surrendered for its cash surrender value, or its cash surrender value has been exhausted, the policy will be re-instated at any time within three (3) years (or two (2) years in the case of industrial life insurance policies) from the date of premium default upon written application therefor, the production of evidence of insurability satisfactory to the insurer, the payment of all premiums in arrears and the payment or re-instatement of any other indebtedness to the insurer upon the policy, all with interest at the rate specified *in the policy*."

Floor Amendment No. 1 to **SB 374,** by Representative LeMaster:

Amend printed copy of **SB 374** on page 12, line 11, by adding the following:

"SECTION 14. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Every prepaid dental plan organization shall, on or before March 1 of each year, provide the commissioner a statement under oath of all the enrollment or membership fees collected during the previous calendar year, less any returned fees. At the time the statement is provided, each such organization shall pay a tax of two percent (2%) on the fees stated, to the examination expense revolving fund established by KRS 304.2-300, to cover the cost of administering this subtitle."

Floor Title Amendment to **SB 348,** by Representative Tobin:

Amend printed copy of **SB 348,** by deleting the title and substituting therefor the following: "AN ACT relating to alcoholic beverages."

Floor Amendment No 1. to **SB 348,** by Representative Tobin:

Amend printed copy of **SB 348** on page 2, line 3, after the word "*area.*" by inserting the following language:

"Section 2. KRS 189.520 is amended to read as follows:

(1) No person under the influence of intoxicating beverages, *any volatile substance as defined by KRS 217.900* or any *controlled substance as defined by KRS 218A.010(2)* [~~drug~~] which may impair one's driving ability shall operate a vehicle that is not a motor vehicle anywhere in this state.

(2) No person shall operate a motor vehicle anywhere in this state while under the influence of intoxicating beverages, *any volatile substance as defined by KRS 217.900* or any *controlled substance as defined by KRS 218A.010(2)* [~~drug~~] which may impair one's driving ability.

(3) No peace officer or state police officer shall fail to enforce rigidly this section.

(4) In any criminal prosecution for a violation of subsections (1) and (2) of this section, wherein the defendant is charged with having operated a vehicle while under the influence of intoxicating beverages,

the amount of alcohol in the defendant's blood as determined at the time of making a chemical analysis of his blood, urine, breath or other bodily substance, shall give rise to the following presumptions:

(a) If there was 0.05 per cent (5/100%) or less by weight of alcohol in such blood, it shall be presumed that the defendant was not under the influence of intoxicating beverages;

(b) If there was more than 0.05 per cent (5/100%), but less than 0.10 per cent by weight of alcohol in such blood, such fact shall not constitute a presumption that the defendant either was or was not under the influence of intoxicating beverages, but such fact may be considered, together with other competent evidence, in determining the guilt or innocence of the defendant;

(c) If there was 0.10 per cent (1/10%) or more by weight of alcohol in such blood, it shall be presumed that the defendant was under the influence of intoxicating beverages.

(5) The provisions of subsection (4) of this section shall not be construed as limiting the introduction of any other competent evidence bearing upon the question of whether the defendant was under the influence of intoxicating beverages.

(6) No person may be compelled to submit to any test specified in subsection (4) of this section, but his refusal to submit to such test shall result in revocation of his license as provided in KRS 186.565 (3).

(7) Only a physician, registered nurse or qualified medical technician, duly licensed in Kentucky, acting at the request of the arresting officer can withdraw any blood of any person submitting to a chemical test under this section or KRS 186.565.

(8) The person tested shall be permitted to have a duly licensed physician of his own choosing administer a chemical test in addition to the one administered at the direction of the police officer.

Section 3. KRS 189.590 is amended to read as follows:

(1) In all cases where a fatality results from a motor vehicle accident, the coroner shall conduct an examination in order to determine if there are any substances in the victim's body which would impair his ability to operate a motor vehicle and the amount of any substance if found.

(2) Every coroner or other official performing a coroner's functions shall, on or before the tenth (10th) day of each month, report in writing to the state police the death of any person occurring within his county during the preceding calendar month as the result of an accident involving a motor vehicle, and the circumstances of the accident.

Section 4. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456 and 189.960, shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars ($20.00) nor more than two thousand dollars ($2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (4) of KRS 189.390 shall be fined not less than eleven dollars ($11.00) nor more than thirty dollars ($30.00). Neither court costs nor fees shall be taxed against any person convicted of violating paragraph (c) of subsection (4) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270 or 189.271 shall, upon conviction, be fined in an amount equal to two cents (2¢) per pound for each pound of excess load when the excess is two thousand (2,000) pounds or less, three cents (3¢) per pound when the excess exceeds two thousand (2,000) pounds and is three thousand (3,000) pounds or less, five cents (5¢) per pound when the excess exceeds three thousand (3,000) pounds and is four thousand (4,000) pounds or less, seven cents (7¢) per pound when the excess exceeds four thousand (4,000) pounds and is five thousand (5,000) pounds or less, and nine cents (9¢) per pound when the excess exceeds five thousand (5,000) pounds but in no case shall the fine be less than sixty dollars ($60.00) nor more than five hundred dollars ($500).

(b) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not less than ten dollars ($10.00) nor more than five hundred dollars ($500).

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the bureau of vehicle regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined not less than fifteen dollars ($15.00) nor more than fifty dollars ($50.00) for each day he operates a truck in violation of KRS 189.170.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars ($15.00).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars ($35.00) nor more than two hundred dollars ($200).

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates subsection (1) of KRS 189.370 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(7) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars ($15.00) in excess of the cost of the repair of the road.

(8) Any person who violates KRS 189.510 shall be fined not less than twenty dollars ($20.00) nor more than fifty dollars ($50.00).

(9) (a) Any person who violates subsection (2) of KRS 189.520 shall be *punished* [~~fined~~], for the first offense, *by imprisonment in the county jail for not less than two (2) days and a fine of not less than three hundred dollars ($300) nor more than five hundred dollars ($500). The jail sentence shall not be suspended by the court* [~~not less than one hundred dollars ($100) nor more than five hundred dollars ($500)~~]; for the second offense, *by imprisonment in the county jail for not less than seven (7) days nor more than thirty (30) days and a fine of not less than three hundred dollars ($300) nor more than five hundred dollars ($500). Four (4) days of the jail sentence shall not be suspended; for the third offense by imprisonment of not less than thirty (30) days nor more than one (1) year and a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000). Ten (10) days of the jail sentence shall not be suspended* [~~a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than three (3) days nor more than six (6) months~~]; for each subsequent offense he shall be *punished by imprisonment of not less than one (1) year and a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000)* [~~fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than thirty (30) days nor more than twelve (12) months~~].

(b) Any peace officer who violates subsection (3) of KRS 189.520 shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100).

(c) The court may order any person punished by imprisonment pursuant to any subsection to be imprisoned on days other than days of regular employment of the person, as determined by the court.

(10) Any person who violates KRS 189.530 shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100) or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(11) Any person who violates any of the provisions of KRS 189.550 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(12) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars ($30.00) nor more than one hundred dollars ($100) for each offense.

(13) The fines imposed by paragraph (a) of subsection (4) and subsections (7) and (8) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(14) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(15) Any person who violates any provision of KRS 189.575 shall, upon conviction thereof, be fined not less than twenty dollars ($20.00) nor more than twenty-five dollars ($25.00).

(16) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(17) (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than twenty dollars ($20.00) nor more than two hundred dollars ($200), or imprisoned for not more than thirty (30) days or both.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Each violation shall constitute a separate offense.

(18) Any person who abandons a vehicle upon the right-of-way of a state highway for seven (7) consecutive days shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100) or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(19) Every person convicted for violation of KRS 189.393 shall be punished upon a first conviction by imprisonment for a period of not less than five (5) days nor more than ninety (90) days, or by fine of

not less than thirty-five dollars ($35.00) nor more than five hundred dollars ($500), or by both such fine and imprisonment, and on a second or subsequent conviction shall be punished by imprisonment for not less than ten (10) days nor more than six (6) months, or by a fine of not less than sixty dollars ($60.00) nor more than one thousand dollars ($1,000), or by both such fine and imprisonment.

(20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157(2).

(21) A person who elects to operate a bicycle in accord with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of such a regulation shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars ($25.00) nor more than three hundred dollars ($300).

SECTION 5. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

The court shall notify the department of transportation of the final disposition on any charge made in that court for a violation of subsection (1) or (2) of Section 1 of this Act, including any charges which result in conviction, dismissal, or conviction of a lesser included offense for purposes of inclusion in the driver's driving history record. This applies explicitly to convictions for public intoxication or other offenses involving the use of alcohol or drugs and involves the use of a motor vehicle.

Section 6. KRS 186.550 is amended to read as follows:

(1) The clerk of any court having jurisdiction over offenses committed under motor vehicle laws shall report upon a form furnished by the department the conviction, pleas or forfeiture of bond arising under motor vehicle laws, to the department within fifteen (15) days.

(2) The court shall take up the motor vehicle operator's license certificate of a person convicted of any of the offenses for which mandatory revocation is provided by KRS 186.560 and have it immediately forwarded to the department with the report covering the conviction.

(3) The clerk of any court having jurisdiction over offense committed under the provisions of KRS Chapter 189 shall report to the department within fifteen (15) days the disposition of the case of every defendent arrested for violations of KRS 189.520(1) and (2). The department shall include such charges with the disposition of each case on the individual's driving history record noting that the original charge was a violation of KRS 189.520(1) or (2).

Section 7. KRS 186.560 is amended to read as follows:

(1) The department shall forthwith revoke the license of any operator of a motor vehicle upon receiving record of his conviction of any of the following offenses:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) Driving a vehicle while under the influence of intoxicating liquor, *any volatile substance as defined by KRS 217.900 or controlled substance defined by KRS 218A.010(2)* [~~or narcotic drugs~~].

(c) Perjury or the making of a false affidavit under KRS 186.400 to 186.640 or any law requiring the registration of motor vehicles or regulating their operation on highways.

(d) Any felony in the commission of which a motor vehicle is used.

(e) Conviction or forfeiture of bail upon three (3) charges of reckless driving within the preceding twelve (12) months.

(f) Conviction of driving a motor vehicle involved in an accident and failing to stop and disclose his identity at the scene of the accident.

(g) Conviction of theft of a motor vehicle or any of its parts, including the conviction of any person under the age of eighteen (18) years.

(2) If the person convicted of any offense named in subsection (1) is not the holder of a license, the department shall deny the person so convicted a license for the same period of time as though he had possessed a license which had been revoked. If through an inadvertence the defendant should be issued a license, the department shall forthwith cancel it.

(3) The department upon receiving a record of the conviction of any person upon a charge of operating a motor vehicle while the license of that person is denied or suspended, or revoked, or while his privilege to operate a motor vehicle is withdrawn, shall immediately extend the period of the first denial, suspension, revocation or withdrawal for an additional like period.

(4) The revocation or denial of a license or the withdrawal of the privilege of operating a motor vehicle under this section shall be for a period of six (6) months, except that, if the same person has had one (1) previous conviction of any offense enumerated in subsection (1) of this section, regardless of whether the

person's license was revoked because of the previous conviction, the period of the revocation, denial or withdrawal shall be one (1) year; if the person has had more than one (1) previous conviction of the offenses considered collectively as enumerated in subsection (1) of this section, regardless of whether the person's license was revoked for any previous conviction, the period of revocation, denial or withdrawal shall be for not less than two (2) years. Provided, however, the department, upon receipt of the written recommendation of the court in which any person has been convicted of violating KRS 189.520 (2), who has had no previous conviction of said offense, that said person's operator's license shall not be revoked, restricts said person's operator's license according to such terms and conditions as the secretary in his discretion may require, provided said person has enrolled in such driver's education program as the department shall require. In the event said person fails to satisfactorily complete said driver's education program or violates the restrictions on his operator's license, the department shall forthwith revoke said operator's license for a period of six (6) months.

Section 8. KRS 186.565 is amended to read as follows:

(1) Any person who operates a motor vehicle in this state is deemed to have given his consent to [~~a~~] chemical *or electronic tests* [~~test~~] of his blood, breath, urine or saliva for the purpose of determining the alcoholic content of his blood *or the presence of any volatile or controlled substance which may impair his driving ability*, if arrested for any offense arising out of acts alleged to have been committed while the person was driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, *volatile or controlled substance*. The test shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, *volatile or controlled substance*. The law enforcement agency by which the officer is employed shall designate which of the aforesaid tests shall be administered, and provide necessary equipment. The state shall provide one (1) breathalizer and simulating unit for each county, paid for by state funds.

(2) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal is deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.

(3) If a person under arrest refuses upon the request of a law enforcement officer to submit to a chemical test designated by the law enforcement agency as provided in subsection (1) of this section, the requesting officer shall warn the person of the effect of his refusal to submit to the test. If the person again refuses, none shall be given, but the department of transportation, upon the receipt of a sworn report of the law enforcement officer that he had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, *volatile or controlled substances* that the person refused to submit to the test upon the request of the law enforcement officer, and that the person again refused to submit to the test after the law enforcement officer warned him of the effect of his refusal, the department shall immediately serve notice upon said person in writing by mailing the notice to the person by certified mail to the last known residence address of the person or if the address is unknown, to the last known business address of the person to appear before the secretary or his duly authorized agent and show cause why his license to operate a motor vehicle, or if said person is a nonresident his privilege to operate a motor vehicle within this state should not be revoked; or if the person is a resident without a license or permit to operate a motor vehicle in this state why that person should not be denied the issuance of a license or permit. The hearing shall be scheduled as early as practical but not sooner than ten (10) days after the issuance of the notice and at a time and place designated by the secretary.

(4) For the purpose of the hearing, held in accordance with the order to show cause, the secretary may appoint an examiner who shall have the power to preside at the hearing. Upon the hearing the secretary or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the licensee. The scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages *volatile or controlled substances*, whether the person was placed under arrest, and whether he refused to submit to the test upon request of the officer. All testimony at the hearing shall be recorded. The secretary's ruling shall include a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue. The secretary within ten days after the completion of the hearing shall order either: that the person's license to operate a motor vehicle, or, if the person is a nonresident, his privilege to operate a motor vehicle within this state be revoked for a period of not more than six months or if the person is a resident without such license that there should be a denial of issuance of a license for a period of not more than six months; or that no action be taken regarding said person's privilege to operate a motor vehicle. The secretary shall immediately notify the person of his ruling in writing by certified mail. If the person shall fail to attend the show cause hearing without good cause shown the secretary shall forthwith revoke the person's license or privilege to operate a motor vehicle or deny issuance of a permit or operator's license.

(5) If the revocation or determination that there should be a denial of issuance is sustained after the hearing, the person whose license or permit to drive or nonresident operating privilege has been revoked, or to whom a license or permit is denied, under the provisions of this section, may file a petition in the circuit court of the county in which the person resides or in the circuit court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the secretary within twenty (20) days after the final order has been issued. The perfected appeal suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected. The department of transportation shall file with its answer a copy of the secretary's ruling and a transcript of evidence. The court's review is limited to whether the secretary's ruling is supported by substantial evidence and whether his action is arbitrary or capricious. An appeal to the Court of Appeals suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected.

(6) When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he has a license. The provisions of this section shall not apply to a person who refuses to submit to a chemical test of his blood, breath, urine or saliva if that person has enrolled in a driver's education program under the terms and conditions of KRS 186.560(4) and rules and regulations adopted thereunder.

(7) Any person who has had no previous conviction for violation of KRS 189.520 and who has refused to submit to a chemical test of his blood, breath, urine, or saliva may apply to a district court of competent jurisdiction for permission to enter a driver's education program as provided pursuant to KRS 186.560. If he is permitted by the court to enter the program he shall be subject to the same terms and conditions as any other person entering the program. The department shall suspend the license for six (6) months of any person participating in such program if he fails to satisfactorily complete such driver's education program."

Floor Amendment No. 2 to **SB 348**, by Representative Mann:

Amend printed copy of **SB 348** on page 2, after line 3, by adding the following language:

"Section 2. KRS 243.560 is amended to read as follows:

(1) Any order of the board refusing, revoking or suspending a license may be appealed from by the applicant or licensee, and any order of the board granting or refusing to revoke or suspend a license may be appealed from by any citizen feeling himself aggrieved.

(2) The person aggrieved may, within ten (10) days after the entry of the order with which he is dissatisfied, file in the office of the clerk of the *circuit court of the county in which the aggrieved person is licensed or seeking licensure to conduct business* [~~Franklin Circuit Court~~] an attested copy of the order, of all the evidence heard, and of all the steps taken by the board relative to the contested order, but shall first post a bond to secure the costs of that action, in a sum approved by the circuit clerk, with a corporate surety approved by the department of insurance as to solvency and responsibility and authorized to transact business in this state.

(3) The board and the licensee or applicant shall be necessary parties to such appeals. The circuit court clerk shall docket the case as though it were a petition in equity, and shall immediately issue a summons for the board, if the appeal is taken by an applicant or licensee, or a summons for the board and the licensee, if the appeal is prosecuted by a citizen. The summons shall be returnable in the same manner as summons in equity cases. If the appeal is from an order refusing, revoking or suspending a license, the board, when served with the summons, or such person as the board may designate, shall appear and defend the action of the board in refusing, revoking or suspending the license in question. If the appeal is from an order granting or refusing to revoke or suspend a license the burden of appearing and defending the action of the board shall be upon the licensee.

(4) No formal pleading shall be required in appeals from orders of the board.

Section 3. KRS 243.570 is amended to read as follows:

(1) The case shall be set down by the court for as early a day as possible for a hearing, and shall in all respects be expedited in the same manner as a declaratory judgment suit.

(2) No new or additional evidence shall be introduced in the *circuit court* [~~Franklin Circuit Court~~] except as to the fraud or misconduct of some party engaged in the administration of this chapter and affecting the order appealed from, but the court shall otherwise hear the case upon the record as attested by the board, and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order appealed from was procured by fraud;

(c) If questions of fact are in issue, whether or not any substantial evidence supports the order appealed from.

(3) After such a hearing the court shall enter a judgment sustaining or setting aside the order of the board appealed from or remanding the case to the board for further consideration.

(4) If the appeal is from an order of the board refusing, revoking or suspending a license, the costs shall be taxed against the applicant or licensee in any event. If the appeal is from an order issuing or refusing to revoke or suspend a license, the costs shall be taxed against the citizen who, feeling himself aggrieved, has contested the order, if the order of the board issuing or refusing to revoke or suspend the license is sustained. If the order is set aside with direction to the board to refuse, revoke or suspend the license, the costs shall be taxed against the licensee.

Section 4. KRS 243.580 is amended to read as follows:

(1) No order of the board issuing a license shall become effective, and no license under that order shall be issued, until the expiration of ten (10) days after the date of the entry of the order. If, within the period of ten (10) days, an appeal from the order of the board has been filed as provided by KRS 243.560 the order shall not become effective until the appeal has been finally determined.

(2) If a license is revoked or suspended by an order of the board, the licensee shall at once suspend all operations authorized under his license, except as provided by KRS 243.540, though he files an appeal in the *circuit court* [~~Franklin Circuit Court~~] from the order of revocation or suspension.

(3) No court may enjoin the operation of an order of revocation or suspension pending an appeal. If upon appeal to the *circuit court* [~~Franklin Circuit Court~~] an order of suspension or revocation is upheld, or if an order refusing to suspend or revoke a license is reversed, and an appeal is taken to the Court of Appeals, no court may enjoin the operation of the judgment of the *circuit court* [~~Franklin Circuit Court~~] pending the appeal.

Section 5. KRS 243.590 is amended to read as follows:

Any party aggrieved by a judgment of the *circuit court* [~~Franklin Circuit Court~~] may appeal to the Court of Appeals in accordance with the Rules of Civil Procedure.

Section 5. KRS 230.330 is amended to read as follows:

Any licensee or any applicant aggrieved by any order of the commission may appeal to the [~~Franklin~~] Circuit Court [~~within the time and in the manner provided by KRS 243.560 to 243.590~~].

Section 6. KRS 230.368 is amended to read as follows:

Any person dissatisfied with the decision of the commission in this regard may appeal to the [~~Franklin~~] Circuit Court [~~in accordance with the provisions of KRS 243.560 to 243.590~~]."

Floor Amendment No. 2 to **SB 3**, by Representative Harper:

Amend printed copy of **SB 3** on page 9, line 21, by deleting the word "*and*";

and on page 9, line 23, by changing the period, ".", to a semicolon, ";";

and by inserting following said line the following:

"*(d) Any act which requires the examination, diagnosis, treatment of diseases, conditions or malfunctions affecting the human foot and its related or governing structures; and*

(e) Any act which requires the use of surgical or mechanical procedures in the treatment of the human foot and its related or governing structures.".

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 103, by Representatives Johnson, Blandford, Boswell, and Bronger: A RESOLUTION honoring the Kentucky Wesleyan College Men's Basketball Team for placing third in the 1982 NCAA Division II Tournament.

HB 104, by Representatives Mann and Meyer: A RESOLUTION urging the Commandant of the United States Marine Corps to approve the request of Covington, Kentucky Board of Education for a Marine R.O.T.C. program at the Holmes High School.

HR 105, by Representatives Deskins, Stumbo, Stone, and White: A RESOLUTION relating to surface coal mining.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **SB 7, SB 36, SB 111, SB 356.**

Education: **SB 123.**

The Clerk announced the following Bills and Resolutions have been withdrawn from Committee consideration:

Judiciary-Criminal: **HB 33, HB 590, HB 817, HCR 50.**

Report of Committees

The Committee on Judiciary-Criminal reported **HR 93, SB 282** with Committee Amendment attached thereto, **SB 340**, and **SB 345** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 93, A RESOLUTION recognizing and honoring the Jefferson County Prep Band.

WHEREAS, the Jefferson County Prep Band is a full instrumentation concert band exclusively for students in grades five, six and seven. The 123 members represent 40 different schools in Jefferson County, Kentucky; and

WHEREAS, the Prep Band is the only band of its kind in the United States. There are no auditions or recommendations to become a member. The only requirements for admission are: (1) at least one year of prior school instrumental music classes; and (2) a desire to learn and make music together in an organized group situation. Practices are every Saturday morning throughout the school year at Valley High School; and

WHEREAS, the director, Kay Feddern, assisted by Barbara Strange, receives no salary. The band receives no financial assistance from any source, so the parents raise all funds to support these youngsters; and

WHEREAS, in February, they gave a demonstration clinic for the Kentucky-Ohio Music Educators Association in Cincinnati, Ohio led by John O'Reilly; and

WHEREAS, John O'Reilly, noted composer of band literature, has written two compositions for the Prep Band. The first, "Jefferson County Overture" was premiered in 1979 for the Kentucky Music Educators annual convention. The second, "Three Kentucky Sketches" was premiered at the biennial convention of the National Band Association in Knoxville, Tennessee. These pieces are published by the Alfred Publishing Company of Los Angeles, California. The Prep Band was the youngest band accepted to perform at the convention for the body of prestigious band directors; and

WHEREAS, in the past 13 years, numerous accolades have been bestowed on these young musicians. Locally, they have played at schools, shopping centers, a Lakeside Swim Club competition, the Census Bureau and helped dedicate the bald eagle exhibit at the zoo. During the Bicentennial, they performed on the White House lawn and also at the Capitol Rotunda in Frankfort, Kentucky. The band has received four medals when they competed in four national band competitions - twice in Nashville, once in Virginia and just last May received the coveted gold medal in Philadelphia, Pennsylvania; and

WHEREAS, in June, they will be the youngest band which has been invited to compete in a band contest held in conjunction with the World's Fair in Knoxville, Tennessee. The members are now in the process of raising $40,000 to finance this performance;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House is proud to recognize and honor the Jefferson County Prep Band, Director Kay Feddern and Assistant Barbara Strange.

Section 2. That this prestigious body hails the members of the Jefferson County Prep Band for their advancement of youth throughout our state.

Section 3. That the House proclaims the members of the Jefferson County Prep Band, Director Kay Feddern and Assistant Barbara Strange to be outstanding citizens and exemplary representatives of the Commonwealth.

Section 4. That the Clerk of the House is directed to transmit a copy of this resolution to the Jefferson County Prep Band.

SB 282, AN ACT relating to the Kentucky Unified Juvenile Code and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. 1980 Senate Bill 309 (Acts, 1980, Chapter 280) is repealed.

Section 2. It is the intent that sections amended by the above-listed bill or repealed by the above-listed bill remain unchanged from the provisions contained therein unless amended by other legislation during the 1980 Regular Session of the General Assembly or unless amended or repealed by other legislation at the 1982 Regular Session of the General Assembly.

Section 3. Whereas, 1980 Senate Bill 309 is scheduled to become effective on July 1, 1982, fifteen (15) days before the normal effective date of other legislation passed at the 1982 Regular Session of the General Assembly and would create a conflict therewith, an emergency is declared to exist and this Act shall become effective immediately upon its passage and approval by the Governor.

Committee Amendment No. 1 to **SB 282** is as follows:

Amend printed copy of **SB 282** on page 1, lines 1 through 9, to delete the same and to insert in lieu thereof:

"Section 1. ACTS, 1980, Chapter 280, Section 153 is amended to read as follows:

This Act shall become effective on July *15, 1984* [~~1, 1982~~]."

and on page 1, line 10, to delete "Section 3" and to insert in lieu thereof "Section 2.".

SB 340, AN ACT relating to offenses relating to custody.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 520.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Contraband" means any article or thing which a person confined in a detention facility is prohibited from obtaining or possessing by statute, departmental regulation, or posted institutional rule or order.

(2) "Custody" means restraint by a public servant pursuant to a lawful arrest, detention, or an order of court for law enforcement purposes, but does not include supervision of probation or parole or constraint incidental to release on bail.

(3) "Dangerous contraband" means contraband which is capable of such use as may endanger the safety or security of a detention facility or persons therein, *including but not limited to dangerous instruments as defined in KRS 500.080, any controlled substances and marijuana.*

(4) "Detention facility" means any place used for the confinement of a person:

(a) Charged with or convicted of an offense; or

(b) Alleged or found to be delinquent; or

(c) Held for extradition or as a material witness; or

(d) Otherwise confined pursuant to an order of court for law enforcement purposes.

(5) "Escape" means departure from custody or the detention facility in which a person is held or detained with knowledge that such departure is unpermitted, or failure to return to custody or detention following a temporary leave granted for a specific purpose or for a limited period.

SB 345, AN ACT relating to racketeering.

WHEREAS, the General Assembly, on the basis of its own investigations and of published studies, makes the following findings:

1. Racketeering and economic crime in the Commonwealth and in the nation, is highly sophisticated, diversified, and widespread, and annually diverts millions of dollars locally and billions of dollars nationally from the Commonwealth's and the nation's legitimate market place through the illicit use of force, fraud, and corruption.
2. Racketeering in the Commonwealth, and in the nation, principally involves such activity as organized gambling, loansharking, the theft and fencing of property, the importation, manufacture or diversion, and distribution of narcotics and dangerous drugs, and other forms of social exploitation.
3. Economic crime involves the illegal manipulation of legitimate business operations by the use of fraudulent schemes and practices.
4. The money and power generated by racketeering are increasingly being used to infiltrate legitimate business and labor organizations, to invest in real and personal property through trusts, foreign corporations, and fictitious names, and to subvert democratic and law enforcement processes in the Commonwealth and in the nation.
5. Racketeering within the Commonwealth and in the nation weakens the stability of the Commonwealth's and the nation's economy, harms innocent investors and competing organizations, impedes free competition, threatens the peace and health of the public, endangers the domestic security, and undermines the general welfare of the Commonwealth and its citizens.
6. Racketeering grows and flourishes from a legal perspective because the criminal and other sanctions presently available to combat it are unnecessarily limited in scope and impact.
7. The General Assembly, therefore, seeks to curtail racketeering and lessen its economic and political power in the Commonwealth by establishing new penal prohibitions and providing to law enforcement and the victims of racketeering new civil sanctions and remedies, including forfeitures made effective through a comprehensive scheme of notices.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) "Alien corporation" means a corporation organized under the laws other than the laws of the United States, or the laws of any state of the United States.

(2) "Beneficial interest" includes:

(a) The interest of a person as a beneficiary under a trust, in which the trustee of the trust holds legal or record title of the personal or real property;

(b) The interest of a person as a beneficiary under any other trust arrangement under which any other person holds legal or record title to personal or real property for the benefit of such person; or

(c) The interest of a person under any other form of express fiduciary arrangement under which any other person holds legal or record title to personal or real property for the benefit of such person.

The term "beneficial interest" does not include the interest of a stockholder in a corporation or the interest of a partner in either a general partnership or a limited partnership. Real property or a beneficial interest in real property shall be deemed to be located where the real property is located. Personal property or a beneficial interest in personal property shall be deemed to be located where the trustee is, the personal property is, or the instrument evidencing the right is.

(3) "Civil proceeding" means any civil proceeding begun under this Act.

(4) "Criminal proceeding" means any criminal proceeding begun under this Act.

(5) "Documentary material" means any book, paper, document, writing, drawing, graph, chart, photograph, phonorecord, magnetic tape, computer printout, other data compilation from which information can be obtained or from which information can be translated into usable form, or other functionally similar tangible item.

(6) "Enterprise" includes any individual, sole proprietorship, partnership, corporation, trust, or other legal entity, or any union, association, or group of persons, associated in fact although not a legal entity, and shall include illicit as well as licit enterprises and governmental as well as other entities.

(7) "Pattern of racketeering activity" means engaging in at least two (2) incidents of racketeering activity that are related to the conduct of the enterprise and are not isolated incidents if the last of such acts occurred within five (5) years, excluding any period of imprisonment, after a prior act of racketeering activity.

(8) "Person" means any individual or entity holding or capable of holding a legal or beneficial interest in property.

(9) "Personal property" includes any personal property, or any interest in such personal property, or any right, including bank accounts, debts, corporate stocks, patents or copyrights.

(10) "Racketeering activity" means to engage in, to attempt to engage in, to conspire to engage in, or to solicit, coerce, or intimidate another person to engage in:

(a) Any activity defined as "racketeering activity" under 18 U.S.C. 1961 (1) (A), (1) (B), (1) (C), and (1) (D); or

(b) Any activity constituting a violation of the following felony provisions of KRS or any criminal act committed in any jurisdiction of the United States which, if committed in the Commonwealth, would be a felony under the following provisions of the KRS:

1. KRS chapter 218A (relating to controlled substances);
2. KRS 433.040 (relating to burning personal property to defraud insurer);
3. KRS 434.455 (relating to unauthorized reproduction and distribution of record article or device for sale);
4. KRS 434.550 to 434.730 (relating to Credit Card Crime Act);
5. KRS Chapter 507 (relating to homicide);
6. KRS Chapter 508 (relating to assault);
7. KRS Chapter 509 (relating to kidnapping);
8. KRS 510.040 (relating to rape);
9. KRS 510.070 (relating to sodomy);
10. KRS 510.110 (relating to sexual abuse);
11. KRS Chapter 511 (relating to burglary);
12. KRS Chapter 513 (relating to arson);
13. KRS Chapter 514 (relating to theft);
14. KRS Chapter 515 (relating to robbery);
15. KRS Chapter 516 (relating to forgery);
16. KRS Chapter 517 (relating to business and commercial fraud);
17. KRS Chapter 518 (relating to miscellaneous crimes affecting business, occupations, and professions);
18. KRS Chapter 520 (relating to escape);
19. KRS Chapter 521 (relating to bribery);
20. KRS Chapter 524 (relating to interference with judicial order);
21. KRS Chapter 525 (relating to riots);
22. KRS Chapter 527 (relating to firearms);
23. KRS Chapter 528 (relating to gambling);
24. KRS Chapter 529 (relating to prostitution); or
25. KRS Chapter 531 (relating to pornography).

(11) "Racketeering lien notice" means the notice provided for in Section 5.

(12) "Real property" includes any real property located in the Commonwealth or any interest in such real property, including any lease of, or mortgage upon, such real property.

(13) "Trustee" includes:

(a) Any person acting as trustee under a trust in which the trustee holds legal or record title to personal or real property;

(b) Any person who holds legal or record title to personal or real property, for which any other person has a beneficial interest; or

(c) Any successor trustee.

The term "trustee" does not include an assignee or trustee for an insolvent debtor, a guardian under the uniform veterans' guardianship act, or an executor, administrator, administrator with will annexed, testamentary trustee, curator, guardian or committee, appointed by, or under control of, or accountable to, a district court.

(14) "Unlawful debt" means any money or other thing of value constituting principal or interest of a debt that is legally unenforceable in the Commonwealth in whole or in part because the debt was incurred or contracted in violation of a law relating to the business of gambling activity in violation of federal or Commonwealth law or relating to the business of lending money at a rate usurious under federal or Commonwealth law.

Section 2. KRS 506.120 is amended to read as follows:

(1) It is unlawful for any person employed by, or associated with, any enterprise to conduct or participate in, directly or indirectly, in the enterprise's affairs through a pattern of racketeering activity or the collection of an unlawful debt.

(2) It is unlawful for any person, through a pattern of racketeering activity or through the collection of an unlawful debt, to acquire or maintain, directly or indirectly, any interest in, or control of, any enterprise or real property.

(3) (a) It is unlawful for any person who has received any proceeds derived, directly or indirectly, from a pattern of racketeering activity, or through the collection of any unlawful debt, to use or invest, directly or indirectly, any part of the proceeds, or the proceeds derived from the investment, or use of them, in the acquisition of any title to, or any right, interest, or equity in, real property, or in the establishment, or operation, of any enterprise.

(b) A purchase of securities on the open market with intent to make an investment, and without the intent of controlling or participating in the control of the issuer, or of assisting another to do so, shall not be unlawful under this subsection, if the securities of the issuer held by the purchaser, the members of his immediate family, and his or their accomplices in any pattern of racketeering activity, or the collection of an unlawful debt after the purchase, do not amount in the aggregate to one percent (1%) of the outstanding securities of any one (1) class and do not confer, either in law or in fact, the power to elect one (1) or more directors of the issuer.

(4) It is unlawful for any person to conspire or attempt to violate himself or through others any of the provisions of subsections (1), (2), or (3) of this section. [~~(1) No person, with the purpose to establish or maintain a criminal syndicate or to facilitate any of its activities, shall do any of the following:~~

~~(a) Organize or participate in organizing a criminal syndicate or any of its activities;~~

~~(b) Provide material aid to a criminal syndicate or any of its activities, whether such aid is in the form of money or other property, or credit;~~

~~(c) Manage, supervise, or direct any of the activities of a criminal syndicate, at any level of responsibility;~~

~~(d) Knowingly furnish legal, accounting, or other managerial services to a criminal syndicate;~~

~~(e) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of, any offense of a type in which a criminal syndicate engages on a continuing basis;~~

~~(f) Commit, or conspire or attempt to commit or act as an accomplice in the commission of, any offense of violence;~~

~~(g) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of bribery in violation of KRS Chapters 518 or 521, or KRS 119.205, 121.025, 121.055, 524.070, 156.465, 45A.340, 63.090, 6.080, 18.320, 244.390 or 244.600.~~

~~(2) Whoever violates this section is guilty of engaging in organized crime, which shall be a class B felony.~~

~~(3) As used in this section "criminal syndicate" means five (5) or more persons collaborating to promote or engage in any of the following on a continuing basis:~~

~~a. Extortion or coercion in violation of KRS 514.080, 276.280, 276.310, or 521.020;~~

~~b. Engaging in, promoting, or permitting prostitution in violation of KRS Chapter 529;~~

~~c. Any theft offense as defined in KRS Chapter 514;~~

~~d. Any gambling offense as defined in KRS 411.090, KRS Chapter 528, or section 226 of the Constitution;~~

~~e. Illegal trafficking in controlled substances as prohibited by KRS Chapter 218A, in intoxicating or spirituous liquor as defined in KRS Chapters 242 or 244, or in destructive devices or booby traps as defined in KRS Chapter 237;~~

~~f. Lending at usurious interest, and enforcing repayment by illegal means in violation of KRS Chapter 360.~~]

SECTION 3. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) Any person convicted of engaging in activity made unlawful by KRS 506.120 shall be guilty of a class B felony.

(2) In lieu of the fine authorized by subsection (1) of this section and KRS 534.030, any person convicted of engaging in activity made unlawful by KRS 506.120 through which he derived pecuniary value, or by which he caused personal injury or property damage or other loss, may be sentenced to pay a fine that does not exceed three (3) times the gross value gained or three (3) times the gross loss caused, whichever is the greater, plus court costs and the costs of investigation and prosecution, reasonably incurred.

(3) The circuit court shall hold a hearing to determine the amount of the fine authorized by subsection (2) of this section.

(4) For the purposes of subsection (2) of this section, "pecuniary value" means:

(a) Anything of value in the form of money, a negotiable instrument, or a commercial interest, or anything else, the primary significance of which is economic advantage; or

(b) Any other property or service that has a value in excess of one hundred dollars ($100).

(5) In any action brought under this section, the circuit court may, at any time, enter such injunctions, prohibitions, or restraining orders, or take such actions, including the acceptances of satisfactory performance bonds, in connection with possible imposition of any fine or civil sanction or remedy, as the circuit court may deem proper.

(6) Fines collected after imposition under this section shall be applied to the costs and expenses of investigation and prosecution, including costs of resources and manpower incurred in investigation and prosecution, and the balance, if any, to the general fund of the Commonwealth.

(7) Criminal penalties and fines under this section are supplemental and not mutually exclusive and shall not preclude the application of any other remedy, criminal or civil, under this section or any other provision of law.

SECTION 4. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) Any circuit court may, after making due provision for the rights of innocent persons, enjoin activity made unlawful by KRS 506.120 by issuing appropriate orders and judgments, including;

(a) Ordering any defendant to divest himself of any interest in any enterprise, or in any real property;

(b) Imposing reasonable restrictions upon the future activities or investments of any defendant, including prohibiting any defendant from engaging in the same type of endeavor as the enterprise in which he was engaged in violation of KRS 506.120;

(c) Ordering the dissolution or reorganization of any enterprise;

(d) Ordering the suspension or revocation of a license, permit, or prior approval granted to any enterprise by any agency of the Commonwealth; and

(e) Ordering the surrender of the charter of a corporation organized under the laws of the Commonwealth or the revocation of a certificate authorizing a foreign corporation to conduct business within the Commonwealth upon finding that the board of directors or a managerial agent acting on behalf of the corporation, in conducting the affairs of the corporation, has authorized or engaged in activity made unlawful by KRS 506.120 and that, for the prevention of future criminal activity, the public interest requires the charter of the corporation be surrendered and the corporation dissolved or the certificate revoked.

(2) (a) All property, real or personal, including money, used in the course of, intended for use in the course of, derived from, or realized through, activity made unlawful by KRS 506.120 is subject to civil forfeiture to the Commonwealth.

(b) Upon the entry of a final judgment of forfeiture in favor of the Commonwealth, the title of the Commonwealth to the forfeited property shall:

1. In the case of real property, or a beneficial interest in it, relate back to the date of filing of the racketeering lien notice in the official records of the county where the real property or a beneficial interest in it is located; and if no racketeering lien notice is filed, then to the date of the filing of any notice of lis pendens under KRS 382.440 in the official records of the county where the real property or a beneficial interest in it is located; and if no racketeering lien notice or notice of lis pendens is filed, then to the date of recording of the final judgment of forfeiture in the official records of the county where the real property or a beneficial interest in it is located; and

2. In the case of personal property or a beneficial interest in it, relate back to the date the personal property or the beneficial interest in it was seized by the Commonwealth, or the date of filing of a racketeering lien notice in the official records of the county where the personal property or a beneficial interest in it is located; but if the property was not seized or no racketeering lien notice was filed, then to the date of the recording of the final judgment of forfeiture in the official records of the county where the personal property or a beneficial interest in it is located.

(c) If personal or real property or a beneficial interest in it subject to forfeiture is conveyed, alienated, disposed of, or otherwise rendered unavailable for forfeiture after the filing of a racketeering lien notice, or after the filing of a civil proceeding or criminal proceeding, whichever is earlier, the Commonwealth may institute an action in any circuit court against the person named in the racketeering lien notice or the defendant in the civil proceeding or criminal proceeding; and the court shall enter final judgment against the person named in the racketeering lien notice or the defendant in the civil proceeding or criminal proceeding in an amount equal to the fair market value of the property or any beneficial interest in it together with investigative costs and attorney's fees incurred by the Commonwealth in the action. If a civil proceeding is pending, such action shall be filed only in the court where such civil proceeding is pending.

(d) If personal or real property or a beneficial interest in it subject to forfeiture is conveyed, alienated, or otherwise disposed of after the filing of a racketeering lien notice or after the filing of a civil proceeding or criminal proceeding, whichever is earlier, the Commonwealth may treat it as a fraudulent and preferential conveyance pursuant to KRS Chapter 378.

(e) The Commonwealth shall dispose of all forfeited property as soon as commercially feasible. If property is not exercisable or transferable for value by the Commonwealth, it shall expire. All forfeitures or dispositions under this section shall be made with due provision for the rights of innocent persons and otherwise in accordance with KRS 500.090.

(3) The attorney general or Commonwealth's attorney may institute civil proceedings under this section. In any action brought under this section, the circuit court shall proceed as soon as practicable to the

hearing and determination. Pending final determination, the circuit court may, at any time, enter such injunctions, prohibitions, or restraining orders or take such actions, including the acceptance of satisfactory performance bonds, as the circuit court may deem proper.

(4) Any aggrieved person, including but not limited to those who are injured in his business and/or property rights, may institute a proceeding under subsection (1) of this section. In such proceeding, relief shall be granted in conformity with the principles that govern that granting of injunctive relief from threatened loss or damage in other cases, but no showing of special or irreparable damage to the person shall have to be made. Upon the execution of proper bond against damages for an injunction improvidently granted and a showing of immediate danger of significant loss or damage, a temporary restraining order and a preliminary injunction may be issued in any action before a final determination on the merits.

(5) Any person injured by reason of any activity made unlawful by KRS 506.120 shall have a cause of action for threefold the actual damages sustained. The person shall also recover attorney fees in the trial and appellate courts and costs of investigation and litigation reasonably incurred, but:

(a) The defendant or any injured person may demand a trial by jury in any civil action brought under this section; and

(b) Any injured person shall have a right or claim to forfeited property or to the proceeds derived from it superior to any right or claim the Commonwealth has in the same property or proceeds.

(6) A final judgment or decree rendered in favor of the Commonwealth in any criminal proceeding under Section 3 of this Act shall estop the defendant in any subsequent civil action or proceeding as to all matters as to which the judgment or decree would be an estoppel as between the parties.

(7) The application of one (1) civil remedy under this section shall not preclude the application of any other remedy, civil or criminal, under this section or any other provision of law. Civil remedies under this section are supplemental and not mutually exclusive.

(8) Upon the filing of a civil action under subsection (4) or (5) of this section, the person shall immediately notify the attorney general of its filing. The attorney general may, upon timely application, intervene in any civil action or proceeding brought under subsection (4) or (5) of this section if the attorney general certifies that, in the opinion of the attorney general, the action or proceeding is of general public importance. In such action or proceeding, the Commonwealth shall be entitled to the same relief as if the attorney general instituted the action or proceeding.

(9) Notwithstanding any other provision of law, a civil action or proceeding under this section may be commenced at any time within five (5) years after the activity made unlawful under KRS 506.120 terminates or the cause of action accrues. If a criminal proceeding or civil action or other proceeding is brought, or intervened in, to punish, prevent or restrain any activity made unlawful under KRS 506.120, the running of the period of limitations prescribed by this section with respect to any cause of action arising under subsection (4) or (5) of this section that is based in whole or in part upon any matter complained of in any such prosecution, action or proceeding shall be suspended during the pendency of such prosecution, action or proceeding and for two (2) years following its termination.

SECTION 5. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) Upon the institution of any criminal or civil proceeding, the Commonwealth then or at any time during the pendency of the proceeding, may file in the official records of any one (1) or more counties a racketeering lien notice. No filing fee or other charge shall be required as a condition for filing the racketeering lien notice, and the clerk of the county court shall, upon the presentation of a racketeering lien notice, immediately record it in the official records.

(2) The racketeering lien notice shall be signed by the attorney general or his designee, or by a Commonwealth's attorney or his designee. The notice shall be in such form as the attorney general prescribes and shall set forth the following information:

(a) The name of the person against whom the civil proceeding has been brought. In its discretion, the attorney general or Commonwealth's attorney may also name in the racketeering lien notice any other aliases, names, or fictitious names under which the person may be known. In his discretion, the attorney general or Commonwealth's attorney may also name in the racketeering lien notice any corporation, partnership, or other entity that is either controlled by or entirely owned by the person;

(b) If known to the attorney general or Commonwealth's attorney, the present residence and business addresses of the person named in the racketeering lien notice and of the other names set forth in the racketeering lien notice;

(c) A reference to the criminal or civil proceeding stating that a proceeding under this Act has been brought against the person named in the racketeering lien notice, the name of the county or counties where the proceeding has been brought, and, if known to the attorney general or Commonwealth's attorney at the time of filing the racketeering lien notice, the case number of the proceeding;

(d) A statement that the notice is being filed pursuant to this Act; and

(e) The name and address of the attorney general or Commonwealth's attorney filing the racketeering lien notice and the name of the individual signing the racketeering notice.

A racketeering lien notice shall apply only to one (1) person and, to the extent applicable, any aliases, fictitious names, or other names, including names of corporations, partnerships, or other entities, to the extent permitted in this section. A separate racketeering lien notice shall be filed for any other person against whom the attorney general or Commonwealth's attorney desires to file a racketeering lien notice under this section.

(3) The attorney general or Commonwealth's attorney shall, as soon as practicable after the filing of each racketeering lien notice, furnish to the person named in the notice by certified mail, return receipt requested, to the last known business or residential address, either a copy of the recorded notice or a copy of the notice with a notation on it of the county or counties in which the notice has been recorded. The failure of the attorney general or Commonwealth's attorney to furnish a copy of the notice under this section shall not invalidate or otherwise affect the notice.

(4) The filing of a racketeering lien notice creates, from the time of its filing, a lien in favor of the Commonwealth on the following property of the person named in the notice and against any other names set forth in the notice:

(a) Any personal or real property situated in the county where the notice is filed then or thereafter owned by the person or under any of the names; and

(b) Any beneficial interest in it located in the county where the notice is filed then or thereafter owned by the person or under any of the names.

The lien shall commence and attach as of the time of filing of the racketeering lien notice and shall continue thereafter until expiration, termination, or release. The lien created in favor of the Commonwealth shall be superior and prior to the interest of any other person in the personal or real property or beneficial interest in it, if the interest is acquired subsequent to the filing of the notice.

(5) In conjunction with any civil proceeding:

(a) The attorney general or Commonwealth's attorney may file without prior court order in any county a lis pendens under the provisions of KRS 382.440 and, in such case, any person acquiring an interest in the subject real property or beneficial interest in it, if the real property or beneficial interest is acquired subsequent to the filing of lis pendens, shall take the interest subject to the civil proceeding any subsequent judgment of forfeiture; and

(b) If a racketeering lien notice has been filed, the attorney general or Commonwealth's attorney may name as defendants, in addition to the person named in the notice, any person acquiring an interest in the personal or real property or beneficial interest in it subsequent to the filing of the notice. If a judgment of forfeiture is entered in the proceeding in favor of the Commonwealth, the interest of any person in the property that was acquired subsequent to the filing of the notice and judgment of forfeiture shall be subject to the notice and judgment of forfeiture.

(6) A trustee, who acquires actual knowledge that a racketeering lien notice or a civil proceeding or criminal proceeding has been filed against any person for whom he holds legal or record title to personal or real property, shall immediately furnish to the attorney general or Commonwealth's attorney the following:

(a) The name and address of the person, as known to the trustee;

(b) The name and address, as known to the trustee, of all other persons for whose benefit the trustee holds title to the personal or real property; and

(c) If requested by the attorney general or Commonwealth's attorney, a copy of the trust agreement or other instrument order under which the trustee holds legal or record title to the person or real property. Any trustee who fails to comply with the provisions of this section is guilty of a Class D felony.

(7) Any trustee who transfers or conveys title to personal or real property for which a racketeering lien notice has been filed at the time of the transfer or conveyance in the county where the personal or real property is located naming a person who holds a beneficial interest in it, shall, if he has actual notice of the racketeering lien notice, be liable to the Commonwealth for the greater of:

(a) The amount of proceeds received directly by the person named in the racketeering lien notice as a result of the transfer or conveyance;

(b) The amount of proceeds received by the trustee as a result of the transfer or conveyance and distributed to the person named in the racketeering lien notice; or

(c) The fair market value of the interest of the person named in the racketeering lien notice in the personal or real property transferred or conveyed; but if the trustee transfers or conveys the personal or real property for at least its fair market value and holds the proceeds that would otherwise be paid or distributed to the beneficiary or at the direction of the beneficiary or his designee, the trustee's liability shall not exceed the amount of the proceeds held for so long as the proceeds are held by the trustee.

(8) The filing of a racketeering lien notice shall not constitute a lien on the record title to personal or real property as owned by the trustee except to the extent the trustee is named in the racketeering lien notice. The attorney general or Commonwealth's attorney may bring a civil proceeding in any circuit court against the trustee to recover from the trustee the amounts set forth in subsection (7) of this section, and the Commonwealth shall also be entitled to recover investigative costs and attorney's fees incurred by the attorney general or Commonwealth's attorney.

(9) The filing of a racketeering lien notice shall not affect the use to which personal or real property or a beneficial interest in it owned by the person named in the racketeering lien notice may be put or the right of the person to receive any avails, rents, or other proceeds resulting from the use and ownership, but not the sale, of the property, until a judgment of forfeiture is entered.

(10) (a) The provisions of this section shall not apply to any transfer or conveyance by a trustee under a court order, unless the court order is entered in an action between the trustee and the beneficiary.

(b) Unless the trustee has actual knowledge that a person owning a beneficial interest in the trust is named in a racketeering lien notice or is otherwise a defendant in a civil proceeding, this section shall not apply to:

1. Any conveyance by a trustee required under the terms of any trust agreement, where trust agreement is a matter of public record prior to the filing of any racketeering lien notice; or

2. Any transfer or conveyance by a trustee to all of the persons who own a beneficial interest in the trust.

(11) The term of a racketeering lien notice shall be for a period of six (6) years from the date of filing unless a renewal racketeering lien notice has been filed by the attorney general or Commonwealth's attorney, and, in such case, the term of the renewal racketeering lien notice shall be for a period of six (6) years from the date of its filing. The attorney general or Commonwealth's attorney shall be entitled to only one (1) renewal of the racketeering lien notice.

(12) The attorney general or Commonwealth's attorney filing the racketeering lien notice may release in whole or in part any racketeering lien notice or may release any personal or real property or beneficial interest in it from the racketeering lien notice upon such terms and conditions as he may determine. Any release of a racketeering lien notice executed by the attorney general or Commonwealth's attorney may be filed in the official records of any county. No charge or fee shall be imposed for the filing of any release of racketeering lien notice.

(13) If no civil proceeding has been instituted by the attorney general or Commonwealth's attorney seeking a forfeiture of any property owned by the person named in the racketeering lien notice, the acquittal in the criminal proceeding of the person named in the racketeering lien notice or the dismissal of the criminal proceeding shall terminate the racketeering lien notice and, in such case, the filing of the racketeering lien notice shall have no effect. If a civil proceeding has been instituted, in the event the criminal proceeding has been dismissed or the person named in the racketeering lien notice has been acquitted in the criminal proceeding, the racketeering lien notice shall continue for the duration of the civil proceeding.

(14) If no civil proceeding is then pending against the person named in a racketeering lien notice, any person named in a racketeering lien notice may institute an action against the attorney general or Commonwealth's attorney filing the notice, in the county where the notice has been filed, seeking a release or extinguishment of the notice and, in such case:

(a) The circuit court shall, upon the motion of the person, immediately enter an order setting a date for hearing, which date shall be not less than five (5) nor more than ten (10) days after the suit has been filed, and the order along with a copy of the complaint shall be served on the attorney general or Commonwealth's attorney within three (3) days after the institution of the suit. At the hearing, the circuit court shall take evidence on the issue of whether any personal or real property or beneficial interest in it owned by such person is covered by the racketeering lien notice or otherwise is subject to forfeiture under this Act, and, if such person shows by the preponderence of the evidence that the racketeering lien notice is not applicable to him or that any personal or real property or beneficial interest in it owned by him is not subject to forfeiture under this Act, the circuit court shall enter a judgment extinguishing the racketeering lien notice or releasing the personal or real property or beneficial interest in it from the racketeering lien notice;

(b) The circuit court shall immediately enter its order releasing from the racketeering lien notice any specific personal or real property or beneficial interest in it, if a sale of the personal or real property or beneficial interest in it is pending and the filing of the notice prevents the sale of the property or interest, but the proceeds resulting from the sale of the personal or real property or beneficial interest in it shall be deposited into the registry of the circuit court, subject to the further order of the circuit court; and

(c) At the hearing set forth in subsection (a) of this section, the circuit court may release from the racketeering lien notice any personal or real property or beneficial interest in it upon the posting by such person of such security as is equal to the value of the personal or real property or beneficial interest in it owned by such person.

(15) In the event a civil proceeding is pending against a person named in a racketeering lien notice, the circuit court upon motion by the person may grant the relief set forth in this section.

SECTION 6. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) Each alien corporation desiring to acquire of record any personal or real property in the Commonwealth shall have, prior to acquisition, and shall continuously maintain in this Commonwealth during any year thereafter in which the personal or real property is owned by the alien corporation:

(a) A registered office; and

(b) A registered agent, which agent may be either:

1. An individual resident in the Commonwealth whose business office is identical with the registered office; or

2. Another corporation authorized to transact business in the Commonwealth having a business office identical with the registered office.

(2) Each registered agent appointed under this section, on whom process may be served, shall file a statement in writing with the secretary of state accepting the appointment as registered agent simultaneously with being designated.

(3) Each alien corporation shall file with the secretary of state no earlier than January 1 and no later than July 1 of each year, a sworn report on such forms as the secretary of state shall prescribe setting forth:

(a) The name of the alien corporation;

(b) The street address of the principal office of the alien corporation;

(c) The name and street address of each officer and each director of the alien corporation;

(d) The name and street address of the registered agent and registered office of the alien corporation; and

(e) Signature of the corporate president, vice president, secretary, assistant secretary, or treasurer attesting to the accuracy of the report as of the day immediately preceding filing of this report.

(4) The secretary of state shall collect a filing fee of fifteen dollars ($15) for each such report filed and a fee of twenty dollars ($20) plus the past year's fee for a late filing.

(5) The secretary of state shall record the status of any alien corporation that fails to comply with the requirements of this section.

(6) Each alien corporation that fails to file a report as required by this section or fails to maintain a registered office and a registered agent as required by this section shall not be entitled to own, purchase, or sell any personal or real property in this Commonwealth and shall not be entitled to sue or defend in the courts of this Commonwealth until such requirements have been complied with.

(7) The filing of a report by a corporation as required by this section shall be solely for the purposes of this Act and shall not be used as a determination of whether the corporation is actually doing business in this Commonwealth.

SECTION 7. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

(1) Whenever the attorney general or commonwealth's attorney has reason to believe that any person or enterprise may be in possession, custody, or control of any documentary materials relevant to a racketeering investigation, he may, prior to the institution of a civil or criminal proceeding on it, issue in writing, and cause to be served upon the person, a civil investigative demand requiring the person to produce the material for examination.

(2) Each such demand shall:

(a) State the nature of the activity constituting the alleged racketeering violation that is under investigation and the provision of law applicable to it;

(b) Describe the class or classes of documentary material demanded under it with such definiteness and certainty as to permit the material to be fairly identified;

(c) State that the demand is returnable immediately or prescribe a return date that will provide a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying or reproduction;

(d) Identify the custodian to whom such material shall be made available; and

(e) State an advisement of rights, available under the provisions of this section, in addition to any appropriate constitutional rights advisement.

(3) No such demand shall:

(a) Contain any requirement that would be held to be unreasonable if contained in a subpoena duces tecum issued by a court of the Commonwealth in aid of a grand jury investigation of an alleged racketeering violation; or

(b) Require the production of any documentary evidence that would be privileged from disclosure if demanded by a subpoena duces tecum issued by a court of the Commonwealth in aid of a grand jury investigation of an alleged racketeering violation.

(4) Service of the demand or any petition filed under this section may be made upon a person by:

(a) Delivering a duly executed copy of it to any partner, executive officer, managing agent, or general agent of his, or to any agent of his, authorized by appointment or by law, to receive service of process on behalf of the person or upon any individual person;

(b) Delivering a duly executed copy of it to the residence, principal office, or place of business of the person to be served; or

(c) Depositing the copy in the United States mail, by registered or certified mail, duly addressed to the person at his residence, principal office, or place of business.

(5) A verified return by the individual serving the demand or petition setting forth the manner of the service shall be prima facie proof of the service. In the case of service by registered or certified mail, the return shall be accompanied by the return post-office receipt of delivery of such demand.

(6) (a) The attorney general or commonwealth's attorney shall designate an investigator to serve as racketeer document custodian, and other racketeering investigators as he shall determine to be necessary to serve as deputies to the officer.

(b) Any person upon whom any demand issued under this section has been duly served shall make such material available for inspection and copying or reproduction to the custodian designated in it at the principal place of the person, or at such other place as the custodian and the person may agree and prescribe in writing or as the circuit court may direct, under this section, on the return date specified in the demand or on such later date as the custodian may prescribe in writing. The person may, upon written agreement between the person and the custodian, substitute for copies of all or any part of the material originals of it.

(c) The custodian to whom any documentary material is delivered shall take physical possession of it and shall be responsible for the use made of it and for the return of it under this section. The custodian may cause the preparation of copies of the documentary materials as may be required for official use under regulations that shall be promulgated by the attorney general or the commonwealth's attorney. Under such reasonable terms and conditions as the attorney general or commonwealth's attorney shall prescribe, documentary material, while in the possession of the custodian, shall be available for examination by the person who produced the material or any duly authorized representatives of the person.

(d) Whenever any attorney has been designated to appear on behalf of the Commonwealth before any circuit court or grand jury in any case or proceeding involving any activity made unlawful by KRS 506.120, the custodian may deliver to the attorney the documentary material in the possession of the custodian as the attorney determines to be required for use in the presentation of the case or proceeding on behalf of the Commonwealth. Upon the conclusion of the case or proceeding, the attorney shall return to the custodian any documentary material that has not passed into the control of the circuit court or grand jury through the introduction of it into the record of the case or proceeding.

(e) Upon the completion of the racketeering investigation for which any documentary material was produced under this section or in any case or proceeding arising from the investigation, the custodian shall return to the person who produced the material all material other than copies of it made by the attorney general or the commonwealth's attorney under this subsection that has not passed into the control of any circuit court or grand jury through the introduction of it into the record of the case or proceeding.

(f) When any documentary material has been produced by any person under this section for use in any racketeering investigation, and no case or proceeding arising from it has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of the investigation, the person shall be entitled, upon written demand made upon the attorney general or commonwealth's attorney, to the return of the documentary material other than copies of it made under this subsection produced by the person.

(g) In the event of the death, disability, or separation from service of the custodian of any documentary material produced under any demand issued under this section, or the official relief of the custodian from responsibility for the custody and control of the material, the attorney general or commonwealth's attorney shall promptly designate another racketeering investigator to serve as custodian of it and transmit notice in writing to the person who produced the material as to the identity and address of the successor designated. Any successor shall have, with regard to the materials, all duties and responsibilities imposed by this section upon his predecessor in office with regard to it, but he shall not be held responsible for any default or dereliction that occurred before his designation as custodian.

(7) Whenever any person fails to comply with any civil investigative demand duly served upon him under this section or whenever satisfactory copying or reproduction of any of the material cannot be done and the person refuses to surrender the material, the attorney general or a commonwealth's attorney may file, in the circuit court of the Commonwealth for any judicial circuit in which the person resides, is found, or transacts business, and serve upon such person a petition for an order of the circuit court for the enforcement of this section.

(8) Within twenty (20) days after the service of any demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, the person may file, in the circuit court of the Commonwealth for the judicial circuit within which the person resides, is found, or transacts business, and serve upon the custodian a petition for an order of the circuit court modifying or setting aside the demand. The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the circuit court shall not run during the pendency of the petition in the circuit court. The petition

shall specify each ground upon which the petitioner relies in seeking relief and may be based upon any failure of the demand to comply with this section or upon any constitutional or other legal right or privilege of the person.

(9) At any time during which any custodian is in custody or control of any documentary material delivered by any person in compliance with the demand, the person may file, in the circuit court of the Commonwealth for the judicial circuit within which the office of the custodian is situated, and serve upon the custodian a petition for an order of the circuit court requiring the performance by the custodian of any duty imposed upon him by this section.

(10) Whenever any petition is filed in any circuit court of the Commonwealth under this section, the circuit court shall have jurisdiction to hear and determine the matter presented and to enter such order or orders as may be required to carry into effect this section.

Section 8. KRS 500.090 is amended to read as follows:

(1) All property which is subject to forfeiture under any section of the Kentucky Penal Code shall be disposed of in accordance with this section.

(a) Property which is forfeited under any section of this code may, upon order of the trial court, be destroyed by the sheriff of the county in which the conviction was obtained.

(b) Property which is forfeited under any section of this code may, upon order of the trial court, be sold at public auction. *In lieu of ordering the sale of such property, the court may, if it finds that it can be used by a law enforcement agency, order it delivered to a law enforcement agency for such use.* The expenses of keeping and selling such property and the amount of all valid recorded liens that are established by intervention as being bona fide shall be paid out of the proceeds of the sale. The balance shall be paid *first to cover all costs and expenses of investigation and prosecution, including costs of resources and manpower incurred in investigation and prosecution, and the rest, if any,* to:

1. The state if the property was seized by an agency of the state or peace officer thereof;
2. The county, if the property was seized by the sheriff or an agency or peace officer of the county;
3. The department of fish and wildlife resources, if the property was seized by a peace officer of the department of fish and wildlife or was seized by any other officer for violation of KRS Chapter 150;
4. The city, if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the city property clerk;
5. The city (ninety percent (90%) of the proceeds) and the sheriff (ten percent (10%) of the proceeds) if the property was seized by the city or by an agency or peace officer thereof and the property was delivered to the sheriff or the county police; or
6. The state, if the property was seized by any combination of agencies listed above.

(c) If property which is forfeited under any section of this code is determined by the trial court to be worthless, encumbered with liens in excess of its value, or otherwise a burdensome asset, the court may abandon any interest in such property. Property which is abandoned pursuant to this section shall be returned to the lawful claimant upon payment of expenses for keeping the property.

(d) Property which is forfeited under any section of this code may, upon order of the trial court, be retained for official use in the following manner. Property which has been seized by an agency of the state may be retained for official state use. Property which has been seized by an agency of county, city, or urban-county government may be retained for official use by the government whose agency seized the property or for official state use. Property seized by any other unit of government may be retained only for official state use. The expenses for keeping and transferring such property shall be paid by the unit of government by which the property is retained.

(2) Money which has been obtained or conferred in violation of any section of this code shall, upon conviction, be forfeited for the use of the state. This subsection shall not apply when, during the course of the proceeding in which the conviction is obtained, the person from whom said money was unlawfully acquired is identified.

(3) Property forfeited under any section of this code shall be disposed of in accordance with this section only after being advertised pursuant to KRS Chapter 424. This subsection shall not apply to property which is designed and suitable only for criminal use or to money forfeited under subsection (2) of this section.

(4) The trial court shall remit the forfeiture of property when the lawful claimant:

(a) Asserts his claim before disposition of the property pursuant to this section;

(b) Establishes his legal interest in the property; and

(c) Establishes that the unlawful use of the property was without his knowledge and consent. Subsection (4) shall not apply to a lienholder of record when the trial court elects to dispose of the property pursuant to subsection (1)(b) of this section.

(5) For purposes of this section, "lawful claimant" means owner or lienholder of record.

(6) Before property which has had its identity obscured in violation of KRS 514.120 may be sold or retained for official use as provided in this section, the court shall cause a serial or other identifying number to be placed thereon and a record of the number assigned shall be placed in the court order authorizing the

sale or retention of the property. This number shall be assigned, whenever applicable, in consultation with the Kentucky state police and any other state or federal regulatory agency. The purchaser of the property shall be given a document stating that the property had been forfeited pursuant to law and that a number, shown on the document, has been assigned which shall be deemed as compliance of the owner with KRS 514.120. When property is returned to an owner pursuant to this section and its identity has been obscured by another person in violation of KRS 514.120 the court shall provide a document to the owner relieving him of liability for its continued possession. This document shall serve as evidence of compliance with KRS 514.120 by the owner or any person to whom he lawfully disposes of the property. This section shall not apply to any person after property has been sold or returned in compliance with this section, who violates the provisions of KRS 514.120 with respect to that property.

(7) Before forfeiture of any property under this section it shall be the duty of the trial court to determine if a lawful owner or claimant to the property has been identified or is identifiable. If a lawful owner or claimant has been identified or is identifiable the court shall notify the owner or claimant that the property is being held and specify a reasonable period of time during which the claim may be made, or may, in lieu thereof, order the return of the property to the lawful owner or claimant. If the lawful owner or claimant does not assert his claim to the property after notification or if he renounces his claim to the property, the property shall be disposed of as provided in this section. It shall be the duty of all peace officers and other public officers or officials having knowledge of the lawful owner or claimant of property subject to forfeiture to report the same to the trial court before the act of forfeiture occurs.

SECTION 9. A NEW SECTION OF KRS CHAPTER 506 IS CREATED TO READ AS FOLLOWS:

This Act shall be known as and may be cited as the "Kentucky Racketeering and Economic Crime Control Act."

The Committee on Natural Resources and Environment reported **SB 279,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 279, AN ACT relating to the environment.

WHEREAS, the problem of the proper transportation, treatment and disposal of hazardous waste is a serious one that affects the health, safety and environment of the citizens of the Commonwealth; and

WHEREAS, high technology facilities that provide safer and more environmentally sound alternatives to the disposal of hazardous waste than do conventional land disposal methods require a waste stream of sufficient size to make their development feasible; and

WHEREAS, treatment and disposal facilities for hazardous waste must be located on suitable geological, seismological, and hydrological sites and must be monitored and maintained to assure their proper functioning; and

WHEREAS, even the use of high technology treatment facilities may result in residues that require land disposal; and

WHEREAS, the location of a variety of treatment and disposal technologies at a single location provides for the maximum use of suitable sites, the opportunity to treat and dispose of each type of waste in the safest and most environmentally sound manner, the opportunity for consolidating waste streams making the proper high technology alternatives feasible and reducing the number of facilities in need of monitoring and long term maintenance, reduces the risk from transportation by restricting the routes potentially in use between generators and dispersed treatment and disposal facilities, and overall reduces the long term risks to Kentucky citizens; and

WHEREAS, the development of a model integrated facility should be undertaken to demonstrate the feasibility of such a project and to provide for the management of hazardous waste in the Commonwealth in the safest possible manner; and

WHEREAS, it is the policy of the Commonwealth to promote the development of efficient, environmentally acceptable and commercially feasible technologies, techniques and processes for resource recovery and energy generation from hazardous waste (KRS 224.212) and such projects have not been undertaken in a timely manner by the private sector;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context clearly indicates otherwise:

(1) "Board" means the Kentucky regional integrated waste treatment and disposal facility siting board.

(2) "Certificate" means a certificate of environmental safety and public necessity.

(3) "Department" means the department for natural resources and environmental protection.

(4) "Regional integrated waste treatment and disposal demonstration facility" means a model hazardous waste facility receiving wastes from a region larger than the county boundaries in which it is located, from more than one (1) person, and utilizing multiple treatment and disposal technologies, one of which must be a secure landfill, and one of which must be a high technology incinerator, and designed so as to promote resource recovery and energy generation from hazardous waste and the use of state-of-the-art techniques for rendering waste nonhazardous, and the disposal of waste in a manner that minimizes the risk to public health and long term environmental impacts.

SECTION 2. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the Kentucky regional integrated waste treatment and disposal facility siting board consisting of nine (9) permanent members and three (3) temporary members. All members shall be residents of the Commonwealth of Kentucky. The secretary of the department for human resources or his designated representative shall be a permanent member of the board.

(2) The other eight (8) permanent members of the board shall be appointed by the governor. Except for initial appointments, board members shall be appointed for a term of four (4) years. Of the initial appointments, one (1) shall be appointed for a term of one (1) year, two (2) for a term of two (2) years, two (2) for a term of three (3) years and three (3) for a term of four (4) years. Each of the members appointed by the governor shall hold office for the term for which he was appointed and until his successor shall have been appointed and taken office in his stead or until he shall resign or be removed in a manner provided by law.

(3) The permanent membership of the board shall be composed of members having the following qualifications:

(a) Two (2) members having a demonstrated experience in hazardous waste management;

(b) Two (2) members from the Kentucky general assembly;

(c) Two (2) members chosen from the science and engineering faculties of the institutions of higher education in Kentucky;

(d) One (1) member having demonstrated experience in industrial development planning;

(e) One (1) member representative of the general public.

(4) Three (3) temporary members of the board shall be appointed each time that an application for a certificate of environmental safety and public necessity is submitted. The temporary members of the board shall be appointed by the county judge/executive of the county in which a regional integrated waste treatment and disposal demonstration facility is proposed to be located and shall be bona fide residents of the county. The temporary members of the board shall be appointed within thirty (30) days of the declaration of intent required by Section 3 and Section 4 of this Act; however, failure of the appropriate appointing authority to appoint temporary members of the board within thirty (30) days shall not preclude the board from acting upon applications for certificates of environmental safety and public necessity. Temporary members of the board shall have all the rights and privileges of membership on the board while acting upon those applications for certificates for which they were appointed, but shall not participate in the transaction of other business by the board.

(5) The permanent members of the board shall choose from among their membership a chairperson of the board.

(6) Members of the board shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

(7) Staff services for the board shall be provided to the extent practicable by personnel of the department; however, the board may request and receive the assistance of any state or municipal educational institution, experiment station, laboratory, or other agency and arrange by contract for governmental and non-governmental assistance as necessary in the performance of its duties, including expenses for administrative start-up costs incidental to the organization of the board. Services provided by state and municipal agencies shall be reimbursed at cost.

(8) The department shall not provide legal representation to the board. The board may enter into personal service contracts pursuant to KRS Chapter 45 to obtain legal counsel for representation on appeals to Franklin Circuit Court and in other legal matters.

(9) The board shall meet as necessary for the performance of its duties, upon the call of the chairperson or upon the request of seven (7) members of the board by delivery of written notice of the meeting to each member of the board at least five (5) days prior to the meeting.

(10) Seven (7) members of the board shall constitute a quorum for the transaction of business of the board and all actions by the board shall require the affirmative vote of seven (7) members of the board.

SECTION 3. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The Kentucky regional integrated waste treatment and disposal facility siting board shall have the power, duty and authority to:

(1) Adopt by-laws governing the organization and operation of the board.

(2) Require applicants to submit such information as may be reasonably necessary to permit the board to act upon the application, including but not limited to the following:

(a) The location of the proposed facility and a map of the proposed location;

(b) A description of the design and capacity of the proposed facility;

(c) The anticipated sources of materials to be received at the facility, the proposed methods of transportation to and from the facility and the routes to be traversed;

(d) The experience and qualifications of the applicant;

(e) A detailed analysis of the local impacts of the facility including consideration of those factors identified in Section 4 of this Act.

(3) Adopt regulations establishing a fee or schedule of fees for the cost of processing applications for certificates of environmental safety and public necessity which shall include the costs of public notices, hearings and all associated administrative costs required under this Act.

(4) Adopt regulations prescribing the manner in which the board shall process applications for certificates of environmental safety and public necessity. Such regulations shall include but not be limited to the following:

(a) A requirement that, within ten (10) days of receipt of a complete application of the proposed site, a notice shall be published in a local newspaper in the county where a regional integrated waste treatment and disposal demonstration facility is proposed to be located and in all counties contiguous to said host county in the manner set forth in KRS Chapter 424 and the board shall provide written notice by certified mail to the county judge/executive of the county in which the facility is proposed to be located;

(b) A requirement that no less than thirty (30) days and no more than forty-five (45) days after publication of notice of receipt of a complete application, the board shall conduct a hearing in the county in which the facility is proposed to be located to determine whether a certificate of environmental safety and public necessity should be issued, unless the applicant requests a delay.

(5) Issue or deny a certificate of environmental safety and public necessity. If the board denies the certificate, it shall state in writing the basis for its decision. The board may issue, revoke, or suspend certificates subject to such conditions as it may deem appropriate consistent with Section 4 of this Act including, where appropriate, provision for mitigation of local impacts. Such mitigation may include provisions for payment of sums by the holder of the certificate to public entities as compensation for local social and economic impacts.

(6) Issue only one (1) certificate of environmental safety and public necessity. In order to carry out the purposes of Sections 1 through 8 of this Act, the board may establish deadlines for applications, compare proposed facility and site applications, evaluate the applications against the state's hazardous waste management needs, and shall issue a certificate to that facility which is most consistent with the purposes and goals of Sections 1 through 8 of this Act. The board may request action by the General Assembly to authorize the issuance of certificates of environmental safety and public necessity for additional regional integrated waste treatment and disposal facilities upon a showing that such facilities can treat and dispose of hazardous waste in a safe and environmentally sound manner with a minimal amount of risk to the public, upon a showing of cause for the need for such additional facilities, and upon a showing of the ability of the Commonwealth to properly monitor and regulate such facilities.

SECTION 4. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) No person shall construct or operate a regional integrated waste treatment and disposal demonstration facility without having first obtained from the board a certificate of environmental safety and public necessity for the siting of a facility. A person desiring a certificate of environmental safety and public necessity shall submit an application to the board only after the secretary has declared the intent to issue a construction permit for a regional integrated waste treatment and disposal demonstration facility. A construction permit for a regional integrated waste treatment and disposal demonstration facility pursuant to KRS 224.866 shall not be issued before the certificate of environmental safety and public necessity has been obtained. Applications shall be submitted and processed and a certificate shall be issued in accordance with procedures established under regulations promulgated by the board pursuant to Section 3 of this Act.

(2) In issuing a certificate of environmental safety and public necessity, the board shall consider the following factors:

(a) The social and economic impacts of the proposed facility on the affected community including changes in property values, community perception and other psychic costs;

(b) Costs and availability of public services, facilities and improvements required to support the facility and protect public health, safety and the environment;

(c) The relationship of the proposed facility to local planning and existing development; the relationship of the proposed facility to any state-owned commercial low level nuclear waste disposal site, to major transportation arteries and to existing state primary and secondary roads, and to the hydrology of the area;

(d) The consistency of the proposed facility with any state hazardous waste management plan established under KRS 224.033(24);

(e) The policies, findings and purposes contained in Section 8 of this Act.

(3) All other provisions of state or local law or ordinance to the contrary notwithstanding, the issuance of a certificate of environmental safety and public necessity by the board and the issuance of applicable permits by the department shall constitute the exclusive governmental approval or land use determination required for the siting, location or use of a regional integrated waste treatment and disposal demonstration facility. Any facility holding a certificate of environmental safety and public necessity shall be exempt from regulation under KRS 67.083 and KRS Chapter 100. The board and the department may set standards for monitoring, operations, maintenance, record keeping, closure, post-closure, and liability coverage for the release or escape of waste into the environment that are more stringent than requirements for other hazardous waste facilities in order to evaluate the technologies in use at the site, to assure proper maintenance, and to protect public health and the environment.

(4) Appeals may be taken from the issuance or denial of certificates of environmental safety and public necessity. Such appeals shall be taken to the Franklin Circuit Court within thirty (30) days from the board's decision of issuance or denial. The party or parties affected by the issuance or denial of the certificate shall file in the circuit court a petition which states fully the grounds upon which a review is sought and assign all errors relied on. The board shall be named respondent, and service shall be had on the chairperson of the board. Summons shall issue upon the petition directing the board to send its entire record, properly bound, to the clerk of the circuit court after certifying that such record is its entire original record or a true copy thereof, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review. After the case has been properly docketed in the circuit court, any party directly affected by the issues on appeal may, upon notice to the parties and upon proper showing and in the discretion of the court, be permitted to intervene. Upon hearing of the appeal, the findings of the board shall be prima facie evidence of the facts found therein. The court shall review the entire record and the findings and decision of the board.

SECTION 5. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) All treatment and disposal technologies comprising a regional integrated waste treatment and disposal demonstration facility shall be located on contiguous property.

(2) A hazardous waste shall be landfilled at a regional integrated waste treatment and disposal demonstration facility only if:

(a) The hazardous waste cannot be recycled or incinerated by commercially feasible technologies; and

(b) The hazardous waste cannot be rendered nonhazardous by commercially feasible treatment technologies; and

(c) The hazardous waste meets the additional criteria set forth in KRS 224.866(2).

SECTION 6. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) It is the intent of the general assembly that a regional integrated waste treatment and disposal demonstration facility contain an industrial park component. The approved site for a regional integrated waste treatment and disposal demonstration facility shall be of sufficient size to accommodate new industrial and commercial concerns that can utilize the energy by-products of the treatment technologies.

(2) It shall be the responsibility of the commerce cabinet in coordination with the Kentucky department of energy to establish a plan for and develop the industrial park component of a regional integrated waste treatment and disposal demonstration facility. The industrial park component, located on property contiguous with the treatment and disposal technologies, shall be designed so as to utilize energy generated from the waste treatment technologies.

SECTION 7. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The department shall submit a report to the legislative research commission on October 1 of each year regarding the status of a regional integrated waste treatment and disposal demonstration facility, including but not limited to:

(1) The types and amounts of hazardous waste being treated and disposed of at the facility.

(2) The percentages of wastes received at the facility that are recycled, treated, incinerated and landfilled.

(3) The percentage of waste received from instate generators as compared to out of state generators.

(4) Any changes in the projected operational life of the landfill.

Section 8. KRS 224.212 is amended to read as follows:

(1) It shall be the policy of the Commonwealth of Kentucky to encourage and promote the *establishment of a regional integrated waste treatment and disposal demonstration facility which utilizes* [~~development and demonstration of~~] efficient, environmentally acceptable and commercially feasible technologies, techniques, *and* processes [~~and markets~~] for *maximizing* resource recovery and energy generation from *the treatment and disposal of* [~~solid and~~] hazardous waste in Kentucky *and minimizing land disposal.*

(2) This policy may be implemented by contracts and agreements with the federal government and its agencies and with other organizations, including private industry, and through organizations that may be formed jointly by the state, the federal government or its agencies, and private industry to *establish a regional integrated waste treatment and disposal demonstration facility* [~~conduct developmental and demonstration projects~~] in such organizational form or legal entity deemed appropriate by the participants.

(3) This policy may be implemented by the expenditure of state funds for the preliminary engineering and planning, design, construction and operation of *a regional integrated waste treatment and disposal demonstration facility project* [~~developmental and demonstrative projects~~] in Kentucky, [~~including pilot and demonstration plants,~~] and for the acquisition and improvement of land, construction of roads, and provision of other public facilities incidental and necessary to the accomplishment of *this project* [~~developmental and demonstrative projects~~] in Kentucky.

(4) This policy may be implemented by the sale or lease of state property or property rights to organizations engaged in *a regional integrated waste treatment and disposal demonstration facility project* [~~developmental and demonstrative projects~~] in Kentucky, either for a fair and reasonable consideration or solely or partly as all or a portion of the state's participation in *this project* [~~developmental and demonstrative projects~~].

(5) This policy may be implemented by acquisition, by purchase, or by option to purchase [~~and if the Commonwealth is unable to contract or agree with the owner after a good faith effort to do so, by the exercise of eminent domain~~] the fee simple title to, or any acceptable lesser interest in such lands, rights of way, franchises, or easements, including submerged lands and riparian rights that are necessary for the construction, use or operation of any authorized *regional integrated waste treatment and disposal demonstration facility* [~~demonstration~~] project [~~or projects~~] and for the construction and operation of a line of railroad, truck road, overhead conveyor, or other transportation facilities together with the necessary rights of ingress and egress to construct, examine, alter, repair, maintain, operate, or remove such transportation facilities. [~~The proceedings for condemnation shall be as provided in KRS 416.540 to 416.670.~~]

(6) This policy may be implemented by contracts and agreements for the Commonwealth to purchase all or a portion of the usable output of *this project* [~~developmental and demonstration projects~~], either for a fair and reasonable consideration or solely or partly as all or a portion of the state's participation in *the project* [~~developmental and demonstrative projects~~], and to dispose of this output by use in state facilities or by resale at fair market value.

Section 9. KRS 224.213 is amended to read as follows:

(1) The *secretaries of the commerce cabinet and the department of energy,* [~~secretary of the department of energy~~] with the approval of the governor, may execute contracts *pursuant to KRS 224.212* [~~to design, construct, or operate development or demonstration projects~~].

(2) No agreements or contracts may be entered into before a regional integrated waste treatment and disposal demonstration facility has received a certificate of environmental safety and public necessity from the board established in Section 2 of this Act.

Section 10. KRS 68.178 is amended to read as follows:

(1) The fiscal court of any county may license off-site waste management facilities located within the county with the imposition of a license fee at a percentage rate not to exceed two percent (2%) per annum of the gross receipts of such a waste management facility owned or operated by self-employed individuals, partnerships, or corporations. The proceeds from the license fee shall be used to defray the general revenue requirements of the county where the facility is located. For purposes of assessing the licensing fee provided for in this section, off-site waste management shall consist of establishing and operating a facility whose principal purpose is treatment, storage, disposal, or a combination of these activities but shall not include those treatment, storage, or disposal activities which occur incidental to or which are not otherwise distinguishable from a broader manufacturing operation at the site of said operation.

(2) In the case of hazardous waste facilities involving land disposal, the rate levied under this section shall be not more than five percent (5%) per annum of the gross receipts and shall be calculated so as to produce sufficent revenue to compensate the county for any additional costs incurred by it from having a hazardous waste facility located in its jurisdiction, including, but not limited to the loss of ad valorem property tax revenues from the property on which the facility is located, the loss of ad valorem property tax revenues from abutting properties or other affected properties, the cost of providing any additional emergency services, the cost of monitoring air, surface water, ground water to the extent that other monitoring

data is not available, and other costs established as being associated with the facility and for which the county is not otherwise compensated.

Section 11. KRS 224.855 is amended to read as follows:

(1) No permit shall be issued until a complete application has been submitted to and approved by the department and notice of the application for a waste disposal site or facility has been published at the expense of the applicant in a manner reasonably calculated to inform that portion of the public which is most likely to be affected by the operation of the proposed waste disposal site or facility. The publication shall take place after the department has made a preliminary determination of the application.

(2) At a minimum, publication shall be made at least once by advertisement in a daily or weekly newspaper of general circulation in the locality where the proposed site is to be located.

(3) The contents of the public notice of an application for a waste disposal site or facility shall include the following:

(a) The name and address of the applicant;

(b) A brief description of the activity for which a permit is being sought;

(c) A description of the proposed location;

(d) The name and address of this department; and

(e) The following statement: "Any person who may be aggrieved by the issuance of a permit for this proposed waste disposal site or facility may file with the department a petition which sets forth the grounds of the objection and demand a hearing pursuant to KRS 224.081(2)." Such hearing shall be held within the county where the waste disposal site or facility is proposed.

(4) No permit shall be issued until at least thirty (30) days have expired following publication of the application. The applicant for a permit must establish the date of publication by a verified affidavit from the newspaper which publishes the advertisement. If a hearing is requested, no permit shall be issued prior to a completed hearing. In the case of hazardous waste landfills and other sites or facilities for the land disposal of hazardous waste no permit shall be approved or issued prior to notification of the department by the local unit of government of its actions pursuant to subsection (5) of this section.

(5) The fiscal court of the county, urban-county government, or governing body of an incorporated municipality wherein a hazardous waste landfill or other site or facility for the land disposal of hazardous waste is proposed, shall conduct a public hearing after public notice has been given in accordance with KRS Chapter 424 and shall vote to approve or disapprove the hazardous waste landfill or other site or facility for the land disposal of hazardous waste within thirty (30) days after the hearing described in subsections (3) and (4) of this section. If no hearing is requested under the provisions of subsections (3) and (4) of this section, the fiscal court, urban-county government, or governing body of an incorporated municipality shall conduct such public hearing and vote to approve or disapprove the hazardous waste landfill or other site or facility for the land disposal of hazardous waste within sixty (60) days following publication of the application. In making a determination the fiscal court, urban-county government, or governing body of an incorporated municipality shall consider the social and economic impacts of the proposed hazardous waste landfill or other site or facility for the land disposal of hazardous waste on the affected community, including changes in property values, community perception and other psychic costs; costs and availability of public services, facilities and improvements required to support the landfill or other site or facility and protect public health, safety and the environment; and the relationship of the proposed hazardous waste landfill or other site or facility for the land disposal of hazardous waste to local planning and existing development. After a fiscal court or urban-county government or governing body of an incorporated municipality has voted to approve or disapprove a hazardous waste landfill or other site or facility for the land disposal of hazardous waste, the court, urban-county government, or governing body of an incorporated municipality shall so notify the department in writing within ten (10) days. If a hazardous waste landfill or other site or facility for the land disposal of hazardous waste is disapproved by the court, urban-county government, or governing body of an incorporated municipality, the reasons for disapproval shall be set forth clearly and concisely, and so recorded in the minutes. No permit shall be issued by the department if a fiscal court, urban-county government or governing body of an incorporated municipality disapproves the hazardous waste landfill or other site or facility for the land disposal of hazardous waste in the manner prescribed herein.

(6) The provisions of subsection (5) of this section shall not apply to a proposed regional integrated waste treatment and disposal demonstration facility.

Section 12. KRS 224.866 is amended to read as follows:

(1) No person shall engage in the storage, treatment, recycling or disposal of hazardous waste without first obtaining construction and operation permits from the department. The department shall promulgate regulations establishing standards for such permits but in no case shall a permit to construct or operate a hazardous waste disposal facility *or a regional integrated waste treatment and disposal demonstration facility* be issued unless it can be demonstrated that the proposed facility can be integrated into the surroundings in an environmentally compatible manner, including but not limited to insuring that hydrologic, seismologic, geologic and soil considerations have been adequately addressed in the permit application and in an operational plan. In no case shall a permit to construct a hazardous waste landfill or other site or facility for the

land disposal of hazardous waste be approved or issued prior to notification of the department by the local unit of government of its actions pursuant to KRS 224.855(5) *except when the landfill is part of a regional integrated waste treatment and disposal demonstration facility. The department shall not issue a construction permit to a regional integrated waste treatment and disposal demonstration facility until it has been issued a certificate of environmental safety and public necessity.* A person desiring a construction permit shall file an application on forms supplied by the department which shall contain such information as the department deems necessary and provide evidence that the hazardous waste shall be treated, stored or disposed of in the manner prescribed by the department. The department may consider past performance in this or related fields by the applicant. The department, in making a determination to issue, deny or condition a construction permit, shall consider the following:

(a) An evaluation of alternatives, to include other locations and other treatment, storage, and disposal approaches, different from those proposed, available to the applicant;

(b) An evaluation of the public health, safety, and environmental aspects of the proposals;

(c) An evaluation of the social and economic impacts of the proposed action on the affected community, to include, at a minimum, changes in property values, community perception and other psychic costs, and the costs and availability of public services, facilities and improvements required to support the facility and protect public health, safety and the environment;

(d) An evaluation of mitigation measures to alleviate problems identified in subsections (b) and (c) of this section; and

(e) The relationship of the proposal to local planning and existing development.

Except that in the case of hazardous waste landfills or other sites or facilities for the land disposal of hazardous waste the provisions of paragraphs (c) and (e) of this subsection shall be determined by the local unit of government pursuant to KRS 224.855(5)*; in the case of a regional integrated waste treatment and disposal demonstration facility the provisions of paragraphs (c) and (e) of this subsection shall be determined by the siting board established pursuant to Section 2 of this Act.*

(2) Any hazardous waste which would migrate, leach, or generate gas in its normal state shall not be disposed of in a landfill unless such waste has been either neutralized, detoxified, solidified, encapsulated or otherwise treated so that the character of the waste is such that it will prevent substantial migration, leaching or gas generation or unless the landfill is designed and constructed in such manner as will prevent substantial migration, leaching or gas generation, that in either case may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness or pose a substantial present or potential hazard to human health or the environment.

(3) In conjunction with the application for permits under this section the applicant shall establish adequate financial responsibility as follows:

(a) The applicant shall file as part of his application for a permit to construct the facility an estimate of the cost of closing the facility after its capacity is reached or operations have otherwise ceased. In the case of storage facilities, the cost of closing shall include the cost of properly disposing of the hazardous waste stored. The department shall evaluate this cost estimate and either accept the estimate as made or shall revise it in accordance with acceptable guidelines, using, where available, actual data on closure costs associated with similar existing facilities. Before a permit to operate can be issued the applicant for any hazardous waste permit shall deposit into an interest bearing account pursuant to an escrow agreement with the department a closure fund. Such closure fund shall be cash, irrevocable credit or other sureties satisfactory to the department in an amount equal to the cost estimate for closure. A bank or other financial institution approved by the department shall act as the escrow agent of the closure fund. The escrow agreement shall provide that disbursement is permissible only upon written approval of the department and whenever, on the basis of any information, the department determines that the owner or operator is in violation of any of the closure requirements for the facility, that the department shall have the right to use part or all of the closure fund to carry out the closure requirements. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more closure violations. When the applicant has ceased operations at the facility and has completed closure of the site, he may apply to the department for return of the principle and interest in the closure fund. Upon determination that closure has been satisfactorily accomplished, the department shall release to the applicant all remaining funds accumulated in the closure fund.

(b) Any applicant for a hazardous waste disposal permit shall file with the department as part of his application an estimate of the annual cost of post-closure monitoring and routine maintenance at the site. The department shall evaluate the cost estimate, and, after such modification as may be necessary in light of its evaluation, shall give notice of acceptance of the cost estimate. This cost estimate which will be referred to as the annual post-closure operating cost will then be used to determine the annual cash payments during the life of the facility or over twenty (20) years whichever is shorter into a post-closure monitoring and maintenance fund to be used for monitoring and maintenance for a period of a minimum of twenty (20) years after facility closure. The post-closure monitoring and maintenance fund shall be established by an escrow agreement with the department and annual payments shall be placed in an interest bearing escrow account in a bank or other financial institution approved by the department which shall act as the escrow agent for the fund. The escrow agreement shall provide that whenever, on the basis of any information, the department determines that the owner or operator of the facility is in violation of any of the post-closure monitoring and maintenance requirements, the department shall have the right to use part or all of the funds to carry out the post-closure monitoring and maintenance for the facility. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more post-closure monitoring and maintenance violations. One (1) year after closure and annually, thereafter, for a period of twenty (20) years, the applicant who has carried out all necessary post-closure maintenance and monitoring requirements may upon application to the department be reimbursed out of the post-closure monitoring and maintenance fund an amount equal to the estimated costs for monitoring and routine maintenance for that year and the interest accumulated on that portion of the fund for that year. Request for release of funds for reimbursement must be accompanied by an itemized list of costs incurred. Upon determination that the expenditures incurred are in accordance with the approved plan or otherwise justified the department may authorize the release of the funds to the applicant in writing. Any funds remaining in the escrow account following a termination hearing in which the applicant is released of further responsibility will likewise be released to the applicant.

(c) Before a permit can be issued the applicant for any hazardous waste permit must provide evidence of financial responsibility in an amount and for a time period specified by the department for the purpose of satisfying claims arising out of injury to persons or property resulting from the release or escape of hazardous waste into the environment. Such financial responsibility may be established by one or a combination of evidence of liability insurance, self-insurance, or other evidence of financial responsibility acceptable to the department. The level of self-insurance shall not exceed ten percent (10%) of equity, and financial responsibility must be maintained during the entire operation of the facility and until termination.

The minimum liability coverage for sudden occurrences, exclusive of legal defense costs, for a storage, treatment or disposal facility shall be one million dollars ($1,000,000) per occurrence with an annual aggregate of two million dollars ($2,000,000). The minimum liability coverage for nonsudden occurrences, exclusive of legal defense costs, for a hazardous waste facility involving land disposal shall be three million dollars ($3,000,000) per occurrence with an annual aggregate of six million dollars ($6,000,000). Combined coverage for sudden and nonsudden occurrences shall be no less than the combined totals herein set forth for separate coverage.

(4) The department shall promulgate regulations establishing minimal standards for closure, post-closure monitoring and maintenance, and termination of sites for the disposal of hazardous waste. Any person who obtains a disposal permit for hazardous waste shall be responsible for the post-closure monitoring and maintenance of the permitted facility for a minimum of twenty (20) years after closure of the facility, and may apply to the department for termination of the responsibility for post-closure monitoring and maintenance at any time after the site has been closed for at least twenty (20) years. Upon receipt of such application the department shall provide notice to the public and to the owner or operator and an opportunity for a hearing on the termination of the site. In this proceeding the burden shall be on the applicant to prove by clear and convincing evidence that additional post-closure monitoring and maintenance is not necessary for adequate protection of public health or the environment. The department shall determine either that post-closure monitoring and maintenance of the site is no longer required in which case the applicant shall be relieved of such responsibility; or that additional post-closure monitoring and maintenance of the site as specified in a plan of operation is still required, in which case the department may order appropriate remedial measures, impose restrictive covenants as to future use of the property involved, or otherwise condition termination as may be necessary for adequate protection of public health and the environment.

Section 13. KRS 224.868 is amended to read as follows:

(1) (a) For purposes of this section and KRS 224.876(6) "special wastes" mean those hazardous wastes of high volume and low hazard which include but are not limited to mining wastes, utility wastes (fly ash, bottom ash, scrubber sludge), sludge from water treatment facilities and sewage treatment facilities, cement kiln dust, gas and oil drilling muds and oil production brines and any other waste so designated by the department.

(b) Disposal sites or facilities for special wastes shall be exempt from the provisions of KRS 224.866 *and the provisions of Sections 1-9 of this Act* but may be regulated by the department consistent with P.L. 94-580 and regulations issued pursuant thereto unless a specified site or facility poses or may pose a threat of imminent hazard to public health or substantial environmental impact in which case the site or facility may be required by the department to comply with the provisions of KRS 224.866.

(c) Generators of special wastes shall register with the department and be subject to the provisions of KRS 224.866, except for generators of coal mining wastes which shall be regulated pursuant to the provisions of KRS Chapter 350.

(d) The department shall promulgate special waste regulations that recognize the distinct differences between the category of special wastes and other hazardous and solid wastes due to the fact that special wastes have large volume but low hazardousness. The department's regulations for the generation, transport, record keeping, reporting, storage and disposal shall reflect those distinct differences. The department's regulations shall recognize and incorporate where appropriate and if consistent with the policies of KRS 224.864 to 224.874 any deadline extensions, studies, and specialized requirements for specific kinds of special wastes that are or may be undertaken at the federal or other levels of government.

(2) Generators of waste oil shall be exempt from the provisions of KRS 224.864 and 224.866 but may be regulated by the department consistent with P.L. 94-580 and regulations issued pursuant thereto.

Section 14. The following KRS sections are repealed:

224.214 Limitations on liability.
224.215 Termination of projects.
224.216 Eligibility requirements.

Committee Substitute to **SB 279** is as follows:

SB 279, AN ACT relating to the environment.

WHEREAS, the problem of the proper transportation, treatment and disposal of hazardous waste is a serious one that affects the health, safety and environment of the citizens of the Commonwealth; and

WHEREAS, high technology facilities that provide safer and more environmentally sound alternatives to the disposal of hazardous waste than do conventional land disposal methods require a waste stream of sufficient size to make their development feasible; and

WHEREAS, treatment and disposal facilities for hazardous waste must be located on suitable geological, seismological, and hydrological sites and must be monitored and maintained to assure their proper functioning; and

WHEREAS, even the use of high technology treatment facilities may result in residues that require land disposal; and

WHEREAS, the location of a variety of treatment and disposal technologies at a single location provides for the maximum use of suitable sites, the opportunity to treat and dispose of each type of waste in the safest and most environmentally sound manner, the opportunity for consolidating waste streams making the proper high technology alternatives feasible and reducing the number of facilities in need of monitoring and long term maintenance, reduces the risk from transportation by restricting the routes potentially in use between generators and dispersed treatment and disposal facilities, and overall reduces the long term risks to Kentucky citizens; and

WHEREAS, the development of a model integrated facility should be undertaken to demonstrate the feasibility of such a project and to provide for the management of hazardous waste in the Commonwealth in the safest possible manner; and

WHEREAS, it is the policy of the Commonwealth to promote the development of efficient, environmentally acceptable and commercially feasible technologies, techniques and processes for resource recovery and energy generation from hazardous waste (KRS 224.212) and such projects have not been undertaken in a timely manner by the private sector;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context clearly indicates otherwise:

(1) "Board" means the Kentucky regional integrated waste treatment and disposal facility siting board.

(2) "Certificate" means a certificate of environmental safety and public necessity.

(3) "Department" means the department for natural resources and environmental protection.

(4) "Regional integrated waste treatment and disposal demonstration facility" means a model hazardous waste facility receiving wastes from a region larger than the county boundaries in which it is located, from more than one (1) person, and utilizing multiple treatment and disposal technologies, one of which must be a secure landfill, and one of which must be a high technology incinerator, and designed so as to promote resource recovery and energy generation from hazardous waste and the use of state-of-the-art techniques for rendering waste nonhazardous, and the disposal of waste in a manner that minimizes the risk to public health and long term environmental impacts.

SECTION 2. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created the Kentucky regional integrated waste treatment and disposal facility siting board consisting of nine (9) permanent members and three (3) temporary members. All members shall be residents of the Commonwealth of Kentucky. The secretary of the department for human resources or his designated representative shall be a permanent member of the board.

(2) The other eight (8) permanent members of the board shall be appointed by the governor. Except for initial appointments, board members shall be appointed for a term of four (4) years. Of the initial appointments, one (1) shall be appointed for a term of one (1) year, two (2) for a term of two (2) years, two (2) for a term of three (3) years and three (3) for a term of four (4) years. Each of the members appointed by the governor shall hold office for the term for which he was appointed and until his successor shall have been appointed and taken office in his stead or until he shall resign or be removed in a manner provided by law.

(3) The permanent membership of the board shall be composed of members having the following qualifications:

(a) Two (2) members having a demonstrated experience in hazardous waste management;

(b) Two (2) members from the Kentucky general assembly;

(c) Two (2) members chosen from the science and engineering faculties of the institutions of higher education in Kentucky;

(d) One (1) member having demonstrated experience in industrial development planning;

(e) One (1) member representative of the general public.

(4) Three (3) temporary members of the board shall be appointed each time that an application for a certificate of environmental safety and public necessity is submitted. The temporary members of the board shall be appointed by the county judge/executive of the county in which a regional integrated waste treatment and disposal demonstration facility is proposed to be located and shall be bona fide residents of the county. The temporary members of the board shall be appointed within thirty (30) days of the declaration of intent required by Section 3 and Section 4 of this Act; however, failure of the appropriate appointing authority to appoint temporary members of the board within thirty (30) days shall not preclude the board from acting upon applications for certificates of environmental safety and public necessity. Temporary members of the board shall have all the rights and privileges of membership on the board while acting upon those applications for certificates for which they were appointed, but shall not participate in the transaction of other business by the board.

(5) The permanent members of the board shall choose from among their membership a chairperson of the board.

(6) Members of the board shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

(7) Staff services for the board shall be provided to the extent practicable by personnel of the department; however, the board may request and receive the assistance of any state or municipal educational institution, experiment station, laboratory, or other agency and arrange by contract for governmental and non-governmental assistance as necessary in the performance of its duties, including expenses for administrative start-up costs incidental to the organization of the board. Services provided by state and municipal agencies shall be reimbursed at cost.

(8) The department shall not provide legal representation to the board. The board may enter into personal service contracts pursuant to KRS Chapter 45 to obtain legal counsel for representation on appeals to Franklin Circuit Court and in other legal matters.

(9) The board shall meet as necessary for the performance of its duties, upon the call of the chairperson or upon the request of seven (7) members of the board by delivery of written notice of the meeting to each member of the board at least five (5) days prior to the meeting.

(10) Seven (7) members of the board shall constitute a quorum for the transaction of business of the board and all actions by the board shall require the affirmative vote of seven (7) members of the board.

SECTION 3. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The Kentucky regional integrated waste treatment and disposal facility siting board shall have the power, duty and authority to:

(1) Adopt by-laws governing the organization and operation of the board.

(2) Require applicants to submit such information as may be reasonably necessary to permit the board to act upon the application, including but not limited to the following:

(a) The location of the proposed facility and a map of the proposed location;

(b) A description of the design and capacity of the proposed facility;

(c) The anticipated sources of materials to be received at the facility, the proposed methods of transportation to and from the facility and the routes to be traversed;

(d) The experience and qualifications of the applicant;

(e) A detailed analysis of the local impacts of the facility including consideration of those factors identified in Section 4 of this Act.

(3) Adopt regulations establishing a fee or schedule of fees for the cost of processing applications for certificates of environmental safety and public necessity which shall include the costs of public notices, hearings and all associated administrative costs required under this Act.

(4) Adopt regulations prescribing the manner in which the board shall process applications for certificates of environmental safety and public necessity. Such regulations shall include but not be limited to the following:

(a) A requirement that, within ten (10) days of receipt of a complete application of the proposed site, a notice shall be published in a local newspaper in the county where a regional integrated waste treatment and disposal demonstration facility is proposed to be located and in all counties contiguous to said host county in the manner set forth in KRS Chapter 424 and the board shall provide written notice by certified mail to the county judge/executive of the county in which the facility is proposed to be located;

(b) A requirement that no less than thirty (30) days and no more than forty-five (45) days after publication of notice of receipt of a complete application, the board shall conduct a hearing in the county in which the facility is proposed to be located to determine whether a certificate of environmental safety and public necessity should be issued, unless the applicant requests a delay.

(5) Issue or deny a certificate of environmental safety and public necessity. If the board denies the certificate, it shall state in writing the basis for its decision. The board may issue, revoke, or suspend certificates subject to such conditions as it may deem appropriate consistent with Section 4 of this Act including, where appropriate, provision for mitigation of local impacts. Such mitigation may include provisions for payment of sums by the holder of the certificate to public entities as compensation for local social and economic impacts.

(6) Issue only one (1) certificate of environmental safety and public necessity. In order to carry out the purposes of Sections 1 through 8 of this Act, the board may establish deadlines for applications, compare proposed facility and site applications, evaluate the applications against the state's hazardous waste management needs, and shall issue a certificate to that facility which is most consistent with the purposes and goals of Sections 1 through 8 of this Act. The board may request action by the General Assembly to authorize the issuance of certificates of environmental safety and public necessity for additional regional integrated waste treatment and disposal facilities upon a showing that such facilities can treat and dispose of hazardous waste in a safe and environmentally sound manner with a minimal amount of risk to the public, upon a showing of cause for the need for such additional facilities, and upon a showing of the ability of the Commonwealth to properly monitor and regulate such facilities.

SECTION 4. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) No person shall construct or operate a regional integrated waste treatment and disposal demonstration facility without having first obtained from the board a certificate of environmental safety and public necessity for the siting of a facility. A person desiring a certificate of environmental safety and public necessity shall submit an application to the board only after the secretary has declared the intent to issue a construction permit for a regional integrated waste treatment and disposal demonstration facility. A construction permit for a regional integrated waste treatment and disposal demonstration facility pursuant to KRS 224.866 shall not be issued before the certificate of environmental safety and public necessity has been obtained. Applications shall be submitted and processed and a certificate shall be issued in accordance with procedures established under regulations promulgated by the board pursuant to Section 3 of this Act.

(2) In issuing a certificate of environmental safety and public necessity, the board shall consider the following factors:

(a) The social and economic impacts of the proposed facility on the affected community including changes in property values, community perception and other psychic costs;

(b) Costs and availability of public services, facilities and improvements required to support the facility and protect public health, safety and the environment;

(c) The relationship of the proposed facility to local planning and existing development; the relationship of the proposed facility to any state-owned commercial low level nuclear waste disposal site, to major transportation arteries and to existing state primary and secondary roads, and to the hydrology of the area;

(d) The location of the proposed facility in relationship to the existing industries in the Commonwealth that generate large volumes of hazardous waste and to the areas projected to be areas of generation of large volumes of hazardous waste based on known potential industrial locations within the Commonwealth, so as to minimize the transportation distance between the major generators of hazardous waste and the proposed facility. The department shall provide the board with data concerning said existing and projected areas of hazardous waste generation in the Commonwealth;

(e) The impact of the proposed facility on public safety and provisions made to minimize the risk to public health and safety;

(f) The consistency of the proposed facility with any state hazardous waste management plan established under KRS 224.033(24);

(g) The policies, findings and purposes contained in Section 8 of this Act.

(3) No certificate of environmental safety and public necessity shall be issued until the board has presented its findings at a meeting of the interim joint committee of the legislative research commission with jurisdiction in the area of hazardous waste management or if the general assembly is in session, at a joint meeting of the house and senate standing committees with jurisdiction in the area of hazardous waste management. The board shall notify the chairperson or chairpersons of said appropriate joint committees in writing of its intent to issue a certificate of environmental safety and public necessity. The chairperson or chairpersons shall call a meeting of said joint committee within thirty (30) days of the date of receipt of such notification by the board to hear the findings of the board.

(4) All other provisions of state or local law or ordinance to the contrary notwithstanding, the issuance of a certificate of environmental safety and public necessity by the board and the issuance of applicable permits by the department shall constitute the exclusive governmental approval or land use determination required for the siting, location or use of a regional integrated waste treatment and disposal demonstration facility. Any facility holding a certificate of environmental safety and public necessity shall be exempt from regulation under KRS 67.083 and KRS Chapter 100. The board and the department may set standards for monitoring, operations, maintenance, record keeping, closure, post-closure, and liability coverage for the release or escape of waste into the environment that are more stringent than requirements for other hazardous waste facilities in order to evaluate the technologies in use at the site, to assure proper maintenance, and to protect public health and the environment.

(5) Appeals may be taken from the issuance or denial of certificates of environmental safety and public necessity. Such appeals shall be taken to the Franklin Circuit Court within thirty (30) days from the board's decision of issuance or denial. The party or parties affected by the issuance or denial of the certificate shall file in the circuit court a petition which states fully the grounds upon which a review is sought and assign all errors relied on. The board shall be named respondent, and service shall be had on the chairperson of the board. Summons shall issue upon the petition directing the board to send its entire record, properly bound, to the clerk of the circuit court after certifying that such record is its entire original record or a true copy thereof, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review. After the case has been properly docketed in the circuit court, any party directly affected by the issues on appeal may, upon notice to the parties and upon proper showing and in the discretion of the court, be permitted to intervene. Upon hearing of the appeal, the findings of the board shall be prima facie evidence of the facts found therein. The court shall review the entire record and the findings and decision of the board.

SECTION 5. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) All treatment and disposal technologies comprising a regional integrated waste treatment and disposal demonstration facility shall be located on contiguous property.

(2) A hazardous waste shall be landfilled at a regional integrated waste treatment and disposal demonstration facility only if:

(a) The hazardous waste cannot be recycled or incinerated by commercially feasible technologies; and

(b) The hazardous waste cannot be rendered nonhazardous by commercially feasible treatment technologies; and

(c) The hazardous waste meets the additional criteria set forth in KRS 224.866(2).

(3) No waste shall be deposited in a landfill that is part of a regional integrated waste treatment and disposal demonstration facility if:

(a) It has been shown to cause acute or chronic detrimental effects on humans; or

(b) It degrades very slowly when placed in the land; or

(c) It is a persistent substance that is not readily excreted by living organisms but is retained and often concentrated by organisms higher in the food chain; or

(d) It migrates rapidly through clays and soils or dissolves other hazardous components of waste increasing their mobility; or

(e) It evaporates into the air causing toxic air pollution or smog; or

(f) It is in a liquid form or is water soluble.

SECTION 6. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) It is the intent of the general assembly that a regional integrated waste treatment and disposal demonstration facility contain an industrial park component. The approved site for a regional integrated waste treatment and disposal demonstration facility shall be of sufficient size to accommodate new industrial and commercial concerns that can utilize the energy by-products of the treatment technologies.

(2) It shall be the responsibility of the commerce cabinet in coordination with the Kentucky department of energy to establish a plan for and develop the industrial park component of a regional integrated

waste treatment and disposal demonstration facility. The industrial park component, located on property contiguous with the treatment and disposal technologies, shall be designed so as to utilize energy generated from the waste treatment technologies.

SECTION 7. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The department shall submit a report to the legislative research commission on October 1 of each year regarding the status of a regional integrated waste treatment and disposal demonstration facility, including but not limited to:

(1) The types and amounts of hazardous waste being treated and disposed of at the facility.

(2) The percentages of wastes received at the facility that are recycled, treated, incinerated and landfilled.

(3) The percentage of waste received from instate generators as compared to out of state generators.

(4) Any changes in the projected operational life of the landfill.

Section 8. KRS 224.212 is amended to read as follows:

(1) It shall be the policy of the Commonwealth of Kentucky to encourage and promote the *establishment of a regional integrated waste treatment and disposal demonstration facility which utilizes* [~~development and demonstration of~~] efficient, environmentally acceptable and commercially feasible technologies, techniques, *and* processes [~~and markets~~] for *maximizing* resource recovery and energy generation from *the treatment and disposal of* [~~solid and~~] hazardous waste in Kentucky *and minimizing land disposal.*

(2) This policy may be implemented by contracts and agreements with the federal government and its agencies and with other organizations, including private industry, and through organizations that may be formed jointly by the state, the federal government or its agencies, and private industry to *establish a regional integrated waste treatment and disposal demonstration facility* [~~conduct developmental and demonstration projects~~] in such organizational form or legal entity deemed appropriate by the participants.

(3) This policy may be implemented by the expenditure of state funds for the preliminary engineering and planning, design, construction and operation of *a regional integrated waste treatment and disposal demonstration facility project* [~~developmental and demonstrative projects~~] in Kentucky, [~~including pilot and demonstration plants,~~] and for the acquisition and improvement of land, construction of roads, and provision of other public facilities incidental and necessary to the accomplishment of *this project* [~~developmental and demonstrative projects~~] in Kentucky.

(4) This policy may be implemented by the sale [~~or lease~~] of state property [~~or property rights~~] to organizations engaged in *a regional integrated waste treatment and disposal demonstration facility project* [~~developmental and demonstrative projects~~] in Kentucky, either for a fair and reasonable consideration or solely or partly as all or a portion of the state's participation in *this project* [~~developmental and demonstrative projects~~].

(5) This policy may be implemented by acquisition, by purchase, or by option to purchase [~~and if the Commonwealth is unable to contract or agree with the owner after a good faith effort to do so, by the exercise of eminent domain~~] the fee simple title to, or any acceptable lesser interest in such [~~lands,~~] rights of way, franchises, or easements, including submerged lands and riparian rights that are necessary for the construction, use or operation of any authorized *regional integrated waste treatment and disposal demonstration facility* [~~demonstration~~] project [~~or projects~~] and for the construction and operation of a line of railroad, truck road, overhead conveyor, or other transportation facilities together with the necessary rights of ingress and egress to construct, examine, alter, repair, maintain, operate, or remove such transportation facilities. [~~The proceedings for condemnation shall be as provided in KRS 416.540 to 416.670.~~]

(6) This policy may be implemented by contracts and agreements for the Commonwealth to purchase all or a portion of the usable output of *this project* [~~developmental and demonstration projects~~], either for a fair and reasonable consideration or solely or partly as all or a portion of the state's participation in *the project* [~~developmental and demonstrative projects~~], and to dispose of this output by use in state facilities or by resale at fair market value.

Section 9. KRS 224.213 is amended to read as follows:

(1) The *secretaries of the commerce cabinet and the department of energy,* [~~secretary of the department of energy~~] with the approval of the governor *and the legislative research commission,* may execute contracts *pursuant to KRS 224.212* [~~to design, construct, or operate development or demonstration projects~~].

(2) No agreements or contracts may be entered into before a regional integrated waste treatment and disposal demonstration facility has received a certificate of environmental safety and public necessity from the board established in Section 2 of this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The commerce cabinet and the department of energy shall provide the department with the information deemed necessary by the department to project hazardous waste generation in the Commonwealth as required by KRS 224.033(24) and Section 4(2)(d) of this Act.

SECTION 11. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

A regional integrated waste treatment and disposal demonstration facility shall not be located in an area underlain by devonian shale where said shale is found within fifty (50) feet of the surface.

Section 12. KRS 68.178 is amended to read as follows:

(1) The fiscal court of any county may license off-site waste management facilities located within the county with the imposition of a license fee at a percentage rate not to exceed two percent (2%) per annum of the gross receipts of such a waste management facility owned or operated by self-employed individuals, partnerships, or corporations. The proceeds from the license fee shall be used to defray the general revenue requirements of the county where the facility is located. For purposes of assessing the licensing fee provided for in this section, off-site waste management shall consist of establishing and operating a facility whose principal purpose is treatment, storage, disposal, or a combination of these activities but shall not include those treatment, storage, or disposal activities which occur incidental to or which are not otherwise distinguishable from a broader manufacturing operation at the site of said operation.

(2) In the case of hazardous waste facilities involving land disposal, the rate levied under this section shall not be limited by the two percent (2%) maximum set forth in subsection (1) of this section but shall be calculated so as to produce suffcent revenue to compensate the county for any additional costs incurred by it from having a hazardous waste facility located in its jurisdiction, including, but not limited to the loss of ad valorem property tax revenues from the property on which the facility is located, the loss of ad valorem property tax revenues from abutting properties or other affected properties, the cost of providing any additional emergency services, the cost of monitoring air, surface water, ground water to the extent that other monitoring data is not available, and other costs established as being associated with the facility and for which the county is not otherwise compensated. The rate initially levied under this subsection shall not be changed for the life of the project.

Section 13. KRS 224.855 is amended to read as follows:

(1) No permit shall be issued until a complete application has been submitted to and approved by the department and notice of the application for a waste disposal site or facility has been published at the expense of the applicant in a manner reasonably calculated to inform that portion of the public which is most likely to be affected by the operation of the proposed waste disposal site or facility. The publication shall take place after the department has made a preliminary determination of the application.

(2) At a minimum, publication shall be made at least once by advertisement in a daily or weekly newspaper of general circulation in the locality where the proposed site is to be located.

(3) The contents of the public notice of an application for a waste disposal site or facility shall include the following:

(a) The name and address of the applicant;

(b) A brief description of the activity for which a permit is being sought;

(c) A description of the proposed location;

(d) The name and address of this department; and

(e) The following statement: "Any person who may be aggrieved by the issuance of a permit for this proposed waste disposal site or facility may file with the department a petition which sets forth the grounds of the objection and demand a hearing pursuant to KRS 224.081(2)." Such hearing shall be held within the county where the waste disposal site or facility is proposed.

(4) No permit shall be issued until at least thirty (30) days have expired following publication of the application. The applicant for a permit must establish the date of publication by a verified affidavit from the newspaper which publishes the advertisement. If a hearing is requested, no permit shall be issued prior to a completed hearing. In the case of hazardous waste landfills and other sites or facilities for the land disposal of hazardous waste no permit shall be approved or issued prior to notification of the department by the local unit of government of its actions pursuant to subsection (5) of this section.

(5) The fiscal court of the county, urban-county government, or governing body of an incorporated municipality wherein a hazardous waste landfill or other site or facility for the land disposal of hazardous waste is proposed, shall conduct a public hearing after public notice has been given in accordance with KRS Chapter 424 and shall vote to approve or disapprove the hazardous waste landfill or other site or facility for the land disposal of hazardous waste within thirty (30) days after the hearing described in subsections (3) and (4) of this section. If no hearing is requested under the provisions of subsections (3) and (4) of this section, the fiscal court, urban-county government, or governing body of an incorporated municipality shall conduct such public hearing and vote to approve or disapprove the hazardous waste landfill or other site or facility for the land disposal of hazardous waste within sixty (60) days following publication of the application. In making a determination the fiscal court, urban-county government, or governing body of an incorporated municipality shall consider the social and economic impacts of the proposed hazardous waste landfill or other site or facility for the land disposal of hazardous waste on the affected community, including changes in property values, community perception and other psychic costs; costs and availability of public services,

facilities and improvements required to support the landfill or other site or facility and protect public health, safety and the environment; and the relationship of the proposed hazardous waste landfill or other site or facility for the land disposal of hazardous waste to local planning and existing development. After a fiscal court or urban-county government or governing body of an incorporated municipality has voted to approve or disapprove a hazardous waste landfill or other site or facility for the land disposal of hazardous waste, the court, urban-county government, or governing body of an incorporated municipality shall so notify the department in writing within ten (10) days. If a hazardous waste landfill or other site or facility for the land disposal of hazardous waste is disapproved by the court, urban-county government, or governing body of an incorporated municipality, the reasons for disapproval shall be set forth clearly and concisely, and so recorded in the minutes. No permit shall be issued by the department if a fiscal court, urban-county government or governing body of an incorporated municipality disapproves the hazardous waste landfill or other site or facility for the land disposal of hazardous waste in the manner prescribed herein.

(6) The provisions of subsection (5) of this section shall not apply to a proposed regional integrated waste treatment and disposal demonstration facility.

Section 14. KRS 224.866 is amended to read as follows:

(1) No person shall engage in the storage, treatment, recycling or disposal of hazardous waste without first obtaining construction and operation permits from the department. The department shall promulgate regulations establishing standards for such permits but in no case shall a permit to construct or operate a hazardous waste disposal facility *or a regional integrated waste treatment and disposal demonstration facility* be issued unless it can be demonstrated that the proposed facility can be integrated into the surroundings in an environmentally compatible manner, including but not limited to insuring that hydrologic, seismologic, geologic and soil considerations have been adequately addressed in the permit application and in an operational plan. In no case shall a permit to construct a hazardous waste landfill or other site or facility for the land disposal of hazardous waste be approved or issued prior to notification of the department by the local unit of government of its actions pursuant to KRS 224.855(5) *except when the landfill is part of a regional integrated waste treatment and disposal demonstration facility. The department shall not issue a construction permit to a regional integrated waste treatment and disposal demonstration facility until it has been issued a certificate of environmental safety and public necessity.* A person desiring a construction permit shall file an application on forms supplied by the department which shall contain such information as the department deems necessary and provide evidence that the hazardous waste shall be treated, stored or disposed of in the manner prescribed by the department. The department may consider past performance in this or related fields by the applicant. The department, in making a determination to issue, deny or condition a construction permit, shall consider the following:

(a) An evaluation of alternatives, to include other locations and other treatment, storage, and disposal approaches, different from those proposed, available to the applicant;

(b) An evaluation of the public health, safety, and environmental aspects of the proposals;

(c) An evaluation of the social and economic impacts of the proposed action on the affected community, to include, at a minimum, changes in property values, community perception and other psychic costs, and the costs and availability of public services, facilities and improvements required to support the facility and protect public health, safety and the environment;

(d) An evaluation of mitigation measures to alleviate problems identified in subsections (b) and (c) of this section; and

(e) The relationship of the proposal to local planning and existing development.

Except that in the case of hazardous waste landfills or other sites or facilities for the land disposal of hazardous waste the provisions of paragraphs (c) and (e) of this subsection shall be determined by the local unit of government pursuant to KRS 224.855(5)*; in the case of a regional integrated waste treatment and disposal demonstration facility the provisions of paragraphs (c) and (e) of this subsection shall be determined by the siting board established pursuant to Section 2 of this Act.*

(2) Any hazardous waste which would migrate, leach, or generate gas in its normal state shall not be disposed of in a landfill unless such waste has been either neutralized, detoxified, solidified, encapsulated or otherwise treated so that the character of the waste is such that it will prevent substantial migration, leaching or gas generation or unless the landfill is designed and constructed in such manner as will prevent substantial migration, leaching or gas generation, that in either case may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness or pose a substantial present or potential hazard to human health or the environment.

(3) In conjunction with the application for permits under this section the applicant shall establish adequate financial responsibility as follows:

(a) The applicant shall file as part of his application for a permit to construct the facility an estimate of the cost of closing the facility after its capacity is reached or operations have otherwise ceased. In the case of storage facilities, the cost of closing shall include the cost of properly disposing of the hazardous waste stored. The department shall evaluate this cost estimate and either accept the estimate as made or shall revise it in accordance with acceptable guidelines, using, where available, actual data on closure costs associated with similar existing facilities. Before a permit to operate can be issued the applicant for any hazardous waste permit shall deposit into an interest bearing account pursuant to an escrow agreement with the department a closure fund. Such closure fund shall be cash, irrevocable credit or other sureties satisfactory to the department in an amount equal to the cost estimate for closure. A bank or other financial institution approved by the department shall act as the escrow agent of the closure fund. The escrow agreement shall provide that disbursement is permissible only upon written approval of the department and whenever, on the basis of any information, the department determines that the owner or operator is in violation of any of the closure requirements for the facility, that the department shall have the right to use part or all of the closure fund to carry out the closure requirements. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more closure violations. When the applicant has ceased operations at the facility and has completed closure of the site, he may apply to the department for return of the principle and interest in the closure fund. Upon determination that closure has been satisfactorily accomplished, the department shall release to the applicant all remaining funds accumulated in the closure fund.

(b) Any applicant for a hazardous waste disposal permit shall file with the department as part of his application an estimate of the annual cost of post-closure monitoring and routine maintenance at the site. The department shall evaluate the cost estimate, and, after such modification as may be necessary in light of its evaluation, shall give notice of acceptance of the cost estimate. This cost estimate which will be referred to as the annual post-closure operating cost will then be used to determine the annual cash payments during the life of the facility or over twenty (20) years whichever is shorter into a post-closure monitoring and maintenance fund to be used for monitoring and maintenance for a period of a minimum of twenty (20) years after facility closure. The post-closure monitoring and maintenance fund shall be established by an escrow agreement with the department and annual payments shall be placed in an interest bearing escrow account in a bank or other financial institution approved by the department which shall act as the escrow agent for the fund. The escrow agreement shall provide that whenever, on the basis of any information, the department determines that the owner or operator of the facility is in violation of any of the post-closure monitoring and maintenance requirements, the department shall have the right to use part or all of the funds to carry out the post-closure monitoring and maintenance for the facility. The escrow agent shall release these funds upon receiving a forfeiture order of the department issued pursuant to an appropriate administrative hearing considering one (1) or more post-closure monitoring and maintenance violations. One (1) year after closure and annually, thereafter, for a period of twenty (20) years, the applicant who has carried out all necessary post-closure maintenance and monitoring requirements may upon application to the department be reimbursed out of the post-closure monitoring and maintenance fund an amount equal to the estimated costs for monitoring and routine maintenance for that year and the interest accumulated on that portion of the fund for that year. Request for release of funds for reimbursement must be accompanied by an itemized list of costs incurred. Upon determination that the expenditures incurred are in accordance with the approved plan or otherwise justified the department may authorize the release of the funds to the applicant in writing. Any funds remaining in the escrow account following a termination hearing in which the applicant is released of further responsibility will likewise be released to the applicant.

(c) Before a permit can be issued the applicant for any hazardous waste permit must provide evidence of financial responsibility in an amount and for a time period specified by the department for the purpose of satisfying claims arising out of injury to persons or property resulting from the release or escape of hazardous waste into the environment. Such financial responsibility may be established by one or a combination of evidence of liability insurance, self-insurance, or other evidence of financial responsibility acceptable to the department. The level of self-insurance shall not exceed ten percent (10%) of equity, and financial responsibility must be maintained during the entire operation of the facility and until termination.

The minimum liability coverage for sudden occurrences, exclusive of legal defense costs, for a storage, treatment or disposal facility shall be one million dollars ($1,000,000) per occurrence with an annual aggregate of two million dollars ($2,000,000). The minimum liability coverage for nonsudden occurrences, exclusive of legal defense costs, for a hazardous waste facility involving land disposal shall be three million dollars ($3,000,000) per occurrence with an annual aggregate of six million dollars ($6,000,000). Combined coverage for sudden and nonsudden occurrences shall be no less than the combined totals herein set forth for separate coverage.

(4) The department shall promulgate regulations establishing minimal standards for closure, post-closure monitoring and maintenance, and termination of sites for the disposal of hazardous waste. Any person who obtains a disposal permit for hazardous waste shall be responsible for the post-closure monitoring and maintenance of the permitted facility for a minimum of twenty (20) years after closure of the facility, and may apply to the department for termination of the responsibility for post-closure monitoring and maintenance at any time after the site has been closed for at least twenty (20) years. Upon receipt of such application the department shall provide notice to the public and to the owner or operator and an opportunity for

a hearing on the termination of the site. In this proceeding the burden shall be on the applicant to prove by clear and convincing evidence that additional post-closure monitoring and maintenance is not necessary for adequate protection of public health or the environment. The department shall determine either that post-closure monitoring and maintenance of the site is no longer required in which case the applicant shall be relieved of such responsibility; or that additional post-closure monitoring and maintenance of the site as specified in a plan of operation is still required, in which case the department may order appropriate remedial measures, impose restrictive covenants as to future use of the property involved, or otherwise condition termination as may be necessary for adequate protection of public health and the environment.

Section 15. KRS 224.868 is amended to read as follows:

(1) (a) For purposes of this section and KRS 224.876(6) "special wastes" mean those hazardous wastes of high volume and low hazard which include but are not limited to mining wastes, utility wastes (fly ash, bottom ash, scrubber sludge), sludge from water treatment facilities and sewage treatment facilities, cement kiln dust, gas and oil drilling muds and oil production brines and any other waste so designated by the department.

(b) Disposal sites or facilities for special wastes shall be exempt from the provisions of KRS 224.866 *and the provisions of Sections 1-11 of this Act* but may be regulated by the department consistent with P.L. 94-580 and regulations issued pursuant thereto unless a specified site or facility poses or may pose a threat of imminent hazard to public health or substantial environmental impact in which case the site or facility may be required by the department to comply with the provisions of KRS 224.866.

(c) Generators of special wastes shall register with the department and be subject to the provisions of KRS 224.866, except for generators of coal mining wastes which shall be regulated pursuant to the provisions of KRS Chapter 350.

(d) The department shall promulgate special waste regulations that recognize the distinct differences between the category of special wastes and other hazardous and solid wastes due to the fact that special wastes have large volume but low hazardousness. The department's regulations for the generation, transport, record keeping, reporting, storage and disposal shall reflect those distinct differences. The department's regulations shall recognize and incorporate where appropriate and if consistent with the policies of KRS 224.864 to 224.874 any deadline extensions, studies, and specialized requirements for specific kinds of special wastes that are or may be undertaken at the federal or other levels of government.

(2) Generators of waste oil shall be exempt from the provisions of KRS 224.864 and 224.866 but may be regulated by the department consistent with P.L. 94-580 and regulations issued pursuant thereto.

Section 16. The following KRS sections are repealed:

224.214 Limitations on liability.
224.215 Termination of projects.
224.216 Eligibility requirements.

The Committee on Appropriations and Revenue reported **HB 92,** with Committee Substitutes attached thereto, with the expression of opinion that the same should pass. Ordered referred to Committee on Rules.

Second Commitee Substitute to **HB 92** is as follows:

HB 92, AN ACT relating to transportation of coal.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.

(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation. On or before August 15, 1983 and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources have been transported as reported in the transportation plan required by KRS 350.060. The department shall further publish the total county mileage of the offical natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county.

(3) "Natural resources", for purposes of this Act, shall mean all forms of minerals including but not limited to rock, stone, limestone, coal, shale, gravel, sand, clay, oil, fluorspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

SECTION 2. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Any individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources, who has filed an application for a certificate of registration in accordance with KRS 143.030 or 143A.050, shall be issued a permit upon application. Any operator shall apply for the resource recovery road hauling permits by September 1, 1982, and remit the appropriate fees on or before October 1, 1982. After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time and in the same manner as the tax levied under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources transported by the permittee over the roads of the Commonwealth, except as provided by in Section 5(4) of this Act. For purposes of this section, "gross value" shall mean gross value as defined in KRS 143.010(6) and 143A.010(5).

(5) No person shall transport natural resources over the highways of the Commonwealth in excess of the weight limits without possessing a resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 2 of this Act.

(2) The form prescribed by the department shall include the following information:
(a) Resource recovery road hauling permit number;
(b) Weight of the vehicle including load;
(c) Motor carrier registration number and the name of the motor carrier operator;
(d) The name of the mining company or individual operator;
(e) The motor carrier destination; and
(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 3(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members, three (3) to be appointed by the governor from a list submitted by the secretary of the department of transportation, and one (1) each to be appointed by the speaker of the house of representatives and the president pro tem of the senate. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year, two (2) members shall be appointed

for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition, the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

SECTION 5. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 2(4) of this Act, state appropriations gift, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 2(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, may review said operator's transportation plan; if it is determined that the roads and bridges included in said plan are sufficient to withstand proposed traffic volume, the secretary may allow the issuance of a permit at a reduced fee. The fee shall not be lower than one-tenth (1/10) of one (1) percent, except that any operator whose transportation plan limits use of county resource recovery roads or state roads or highways to five hundred (500) yards or less shall pay no fee.

SECTION 6. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the transportation plans as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the transportation plan as required by KRS 350.060 and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 2(4) of this Act and distribute said funds in accordance with the provisions in Section 8 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road systems within six (6) months of receipt of the distributed funds. Any distributed funds not expended within six (6) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 7. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 2(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of total resource recovery mileage in a county as designated by the transportation plan filed under KRS 350.060 and the ratio of total resource recovery road mileage as designated by said plan.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program.

The Committee on Natural Resources and Environment reported **HB 762** with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee on Natural Resources and Environment reported **SB 218, SB 267, SB 380, SB 385, SB 396,** and **SB 397** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 218, AN ACT relating to surface mining and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.010, 1980 Acts Chapter 62, Section 1, operative on approval of primacy, is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine [~~or subject to the requirements of this chapter~~] and surface impacts incident to an underground coal mine. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and cleaning, concentrating or other processing or preparation, and the loading of coal at or near the mine site. Such activities shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him*;*[~~, or~~] the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department*; or the extraction of, or intent to extract, two hundred fifty (250) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months.* Surface coal mining operations shall also include the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to such activities. This definition includes the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department*; the extraction of, or intent to extract, two hundred fifty (250) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months;* nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations as required by this chapter;

(4) "Overburden" means *material of any nature, consolidated or unconsolidated, excluding topsoil,* [~~all of the earth and other materials~~] which *lies* [~~lie~~] above a natural deposit of coal and also means such [~~earth and other~~] material after removal from *its* [~~their~~] natural state in the process of surface coal mining;

(5) "Area of land affected" means *any area of land or water upon which surface coal mining and reclamation operations are conducted or located or are to be conducted or located* [~~the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited and shall include all lands affected by the construction of new roads or the improvement or use of existing roads other than public roads, to gain access and to haul coal~~];

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership or corporation engaged in surface coal mining and reclamation operations [~~who removes or intends to remove more than two hundred fifty (250) tons of coal from the earth by surface coal mining within twelve (12) successive calendar months or who removes overburden for the purpose of determining the location, quality or quantity of a natural coal deposit~~];

(9) "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company or other business organization;

(10) "Department" means the department for natural resources and environmental protection;

(11) "Secretary" means the secretary of the department for natural resources and environmental protection;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the department;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf or terrace formed in the contour method of strip mining;

(15) "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section;

(16) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the department determines that they are in compliance with KRS 350.455.

(17) "Certification" by a qualified registered professional engineer as required by this chapter and regulations promulgated hereunder means a good faith representation to the best of his or her knowledge and belief, based on adequate knowledge of the requirements of this chapter and regulations promulgated hereunder, related experience, best professional judgment, accepted engineering practices and recognized professional standards, and standard practice as it relates to direct participation by the registered professional engineer or supervision of the registered professional engineer's employes or subordinates. Such certification shall not be construed to constitute a warranty or guarantee.

Section 2. KRS 350.028, 1980 Acts Chapter 62, Section 3, operative on approval of primacy, is amended to read as follows:

(1) To adopt rules and regulations after a hearing pertaining to surface coal mining operations including strip mining and the surface effects of underground mining to accomplish the purposes of this chapter;

(2) To conduct investigations and hearings under provisions of this chapter and KRS chapter 224 or regulations adopted pursuant thereto;

(3) To issue after *an opportunity for* a [~~show cause~~] hearing, suspension orders or *show cause* orders requiring an operator to adopt such remedial measures as are necessary to comply with this chapter and regulations adopted pursuant thereto, *provided that failure to attend a hearing shall be excused for good cause shown*;

(4) To issue after *an opportunity for* a hearing, a final order imposing civil penalties for violations of this chapter or directing the Kentucky bureau of surface mining reclamation and enforcement to revoke a permit, when the requirements set forth by the notice of noncompliance, order of *cessation* [~~suspension~~], or an order of the department requiring remedial measures have not been complied with according to the terms therein, provided that the secretary or his authorized representatives determine that a pattern of violations of the requirements of this chapter or any permit conditions required by this chapter exist or have existed and if the secretary or his authorized representatives also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this chapter or any permit conditions or

that such violations are willfully caused by the permittee, *provided further that failure to attend a hearing shall be excused for good cause shown*; and

(5) To adopt rules and regulations to allow the state to administer and enforce the initial and permanent regulatory programs of Public Law 95-87, "surface mining control and reclamation act of 1977" provided that such rules and regulations shall be no more stringent than required by such law*; provided further that nothing in this chapter shall be construed as superseding, amending, modifying, or repealing any of the Acts listed in Section 702(a) of Public Law 95-87, or any rule or regulation promulgated thereunder.*

Section 3. KRS 350.060, 1980 Acts Chapter 62, Section 5, operative on approval of primacy, is amended to read as follows:

(1) No person shall engage in surface coal mining and reclamation operations without having first obtained from the department a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in surface coal mining and reclamation operations upon the area of land described in his application for a period of not to exceed five (5) years; provided that if an applicant demonstrates that a specified longer term is reasonably needed to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the department may grant a permit for such longer term. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage.

(2) All operators who wish to engage in surface coal mining and reclamation operations and who have a valid permit from the department and who are in expectation of operating such mines after the expiration of eight (8) months from the approval by the secretary of the interior of the permanent regulatory program shall within two (2) months of the effective date of such approval apply for a new permit for such mines in compliance with the requirements of this section. The department for natural resources and environmental protection shall establish procedures and programs consistent with this chapter to issue or deny such permits within eight (8) months of such approval. The general assembly finds the fact that, due to the large number of permitted operations within the Commonwealth, the eight-month period may be administratively impracticable, and hereby authorizes the secretary to devise procedures to comply with this section in the most expeditious and reasonable manner possible, and a filing shall be deemed timely for the purposes of this subsection and surface coal mining operations may continue under an existing permit if that filing is in substantially complete form and submitted within the time limits set forth herein.

(3) Any permit validly issued by the department under the interim regulatory program in effect on March 21, 1980 and which would expire at any time after May 1, 1980 and before eight (8) months after approval of the permanent regulatory program by the United States secretary of the interior, shall be extended and remain in effect until eight (8) months after approval of the permanent regulatory program. Any interim permit so extended shall continue as a valid existing permit for purposes of this subsection if the permittee so requests and files an application for a permit with the department within two (2) months of the date of approval of the permanent regulatory program. The permittee may conduct operations under that existing permit beyond the eight (8) month period if an application has been filed in accordance with this subsection, but the initial administrative decision has not been rendered. [~~The department shall not accept interim permit applications after August 1, 1980 or after December 1, 1980 if the United States secretary of the interior has not approved the Commonwealth's permanent regulatory program by September 3, 1980. The department shall receive and act on all substantially complete permit applications tendered to it on or before August 1, 1980 or December 1, 1980, whichever date is applicable, under the interim program.~~]

(4) No permit or revision application shall be approved unless the application affirmatively demonstrates and the department finds in writing on the basis of the information set forth in the application or from information otherwise available, that the permit application is accurate and complete and that all the requirements of this chapter have been complied with.

(5) An operator desiring a permit to engage in surface coal mining operations shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area adjacent to any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) *a* [~~if known,~~] ten percent (10%) or more *interest* [~~of any class of stock~~] of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify;

(h) A listing of any and all violations of this chapter, P.L. 95-87, and any law, rule or regulation in effect for the protection of air or water resources incurred by the applicant in connection with any surface coal mining and reclamation operation during the three-year period prior to the date of an application. Such a list shall indicate the final resolution of the violations; and

(i) Whether the area of land to be affected by the operation has been previously mined and is not in compliance with current reclamation standards, if so then identify the needed reclamation work.

(6) The application for a permit shall be accompanied by an official document (and an affidavit attesting to the document's authenticity) which will evidence what particular business entity the applicant is, whether a foreign or domestic corporation, a partnership, an entity doing business as another, or, if sole proprietorship, then an affidavit so stating.

(7) The application for a permit shall be accompanied by copies, in numbers satisfactory to the department, of a United States geological survey topographic map or such other map acceptable to the department on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map.

(8) The application for a permit shall be accompanied by copies, in numbers satisfactory to the department, of an enlarged United States geological survey topographic map or such other map acceptable to the department meeting the requirements of the subsections below. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS Chapter 322. The certification shall be in the form as provided in subsection (10) below, *except that the engineer shall not be required to certify the true ownership of property under paragraph (d) of this subsection*;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining*;* [~~and~~]

(d) Show the boundaries of surface properties and names of owners on the affected area and adjacent to any part of the affected area;

(e)[~~(d)~~] Be of a scale of 1:24,000 or larger;

(f)[~~(e)~~] Show the names, and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(g)[~~(f)~~] Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(h)[~~(g)~~] Show the date on which the map was prepared, the north point and the quadrangle name; and

(i)[~~(h)~~] Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.

(9) Each application shall include a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas so that an assessment can be made by the department of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability; provided, however, that this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. Provided further, that the permit shall not be approved until such information is available and is incorporated into the application.

(10) All certifications required by this chapter to be made by professional engineers [~~shall state that the information or documentation contained in the application is correct, and shall show that to the best of his or her knowledge and belief all the information required by the applicable laws and regulations of this state is included. The certification shall be signed and notarized. The department may reject any document or map as incomplete if its accuracy is not so attested. The certification~~] shall be done in the form prescribed by the department *and shall be reasonably specific as to the work being certified. The department may reject any document or map as incomplete if it is not properly certified.*

(11) The application shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the department of transportation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and

the accuracy of the specifications of weight limits on such highways and bridges. All trucks hauling coal on a fully controlled limited access highway shall be covered by a tarp or equivalent cover to prevent spillage.

(12) In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto.

(13) The application for a permit shall be accompanied by proof that the applicant has public liability insurance coverage satisfactory to the department for the surface mining and reclamation operations for which the permit is sought, or proof that the applicant has satisfied self-insurance requirements as provided by regulations of the department. Such coverage shall be maintained in full force and effect during the terms of the permit and any renewal thereof, and until reclamation operations are completed.

(14) A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars ($250) plus a fee set by regulation but not to exceed fifty dollars ($50) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued. The operator shall file with the department a bond payable to the Commonwealth of Kentucky with surety satisfactory to the department in the penal sum to be determined by the department for each acre or fraction thereof of the area of land affected, with a minimum bond of ten thousand dollars ($10,000), conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the department. In determining the amount of the bond the department shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required and the probable difficulty of reclamation giving consideration to such factors as topography, geology, hydrology, and revegetation potential. The bond amount shall initially be computed to be sufficient to assure completion of reclamation if the work had to be performed by the department in the event of forfeiture. The department shall promulgate regulations setting forth bonding requirements including, but not limited to, requirements for the amount, duration, release, and forfeiture of such bonds. Where [~~a surface coal mining operation affects two (2) acres or less and~~] the circumstances are such as to warrant an exception, the department, in its discretion, may reduce the amount of the bond for a *two (2) acre* [~~particular~~] operation to less than the required minimum.

(15) Surface coal mining and reclamation operations which affect two (2) acres or less shall be exempt from the requirements of this chapter, except that the department shall promulgate reasonable minimal regulations for permitting, bonding, controlling offsite water quality, *revegetation,* refuse piles, and use of explosives; and shall prohibit disposal of soil over the outslope in an uncontrolled manner. Such regulations shall recognize the distinct difference between two (2) acre operations and other surface coal mining operations and shall be less stringent than those imposed on other surface coal mining operations affecting more than two (2) acres, and in no event shall the department require that the highwalls left by such operations be eliminated. In no event shall the bond be more than one thousand dollars ($1,000) per acre. The department shall promulgate a short form application which will require the basic business information and a brief description of the method of operation. These applications shall be processed within thirty (30) calendar days. All procedural provisions and the penalty provisions of KRS 350.990 shall, however, apply to operations conducted and permits granted pursuant to this subsection. The department shall enforce this subsection consistent with KRS Chapter 350 except that the department shall not issue orders requiring cessation of operations for mere failure to abate a violation.

(16) The department shall promulgate rules and regulations for the permitting of operations with surface effects of underground mining and other surface coal mining and reclamation operations consistent with this section. The department shall recognize the distinct differences between the surface effects of underground mining and *strip* [~~surface coal~~] mining, as also provided in KRS 350.151, in promulgating permitting requirements for these operations; provided, that the department shall require, *for underground mines that are greater than two (2) acres under subsection (15) of this section, that all of the areas overlying underground workings be permitted but* that the areas *overlying* [~~overlaying~~] underground workings not affected by *operations and facilities occurring on the surface* [~~the operation be permitted only for purposes of subsidence control and~~] shall not be subject to the payment of acreage fees or bond requirements of subsection (14) of this section *or of KRS 350.151; provided, however, that applications for operations of two (2) acres or less filed under subsection (15) of this section shall clearly identify the boundaries of the proposed deep mine operation.*

(17) Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), subsequent to the fulfillment of the public notice requirements of this chapter unless it is established and written findings by the department are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present surface coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the department might require; or

(e) Any additional revised or updated information required by the department has not been provided; Prior to the approval of any renewal of permit the department shall provide notice to the appropriate public authorities.

(18) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new areas of surface disturbance shall be subject to the full standards applicable to new applications under this chapter.

(19) Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made at least one hundred and twenty (120) days prior to the expiration of the valid permit.

(20) Notwithstanding any of the provisions of this section, a permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three (3) years of the issuance of the permit. However, the department may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding commencement of operations, or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee. With respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

(21) Each application for a permit or revision for auger mining on a previously mined area must contain information to describe the area to be affected, to show that the proposed method of operation will result in stable post-mining conditions, and reduce or eliminate adverse environmental conditions created by previous mining activities. If the department determines that the affected area cannot be stabilized and reclaimed subsequent to augering or that the operation will result in an adverse impact to the proposed or adjacent area, the permit or revision shall not be issued. The department shall, consistent with all applicable requirements of KRS Chapter 350, issue a permit or revision if the applicant demonstrates that the proposed coal mining operations will provide for reduction or elimination of the highwall, or reduction or abatement of adverse impacts resulting from past mining activities, or stabilization or enhancement of a previously mined area. The department shall insure that all reasonably available spoil material will be used to backfill the highwall to the extent practical and feasible; provided, however, that in all cases the holes be properly sealed and backfilled to a minimum of four (4) feet above the coal seam being mined.

(22) All operations involving the crushing, screening, or loading of coal which do not separate the coal from its impurities, and which are not located at or near the mine site, shall be exempt from the requirements of this chapter.

Section 4. KRS 350.062 is amended to read as follows:

(1) Applicants for permits may submit such hydrologic information on the general area prior to mining as may be made available by the department pursuant to subsection (7) of this section and employ such information in any reasonable mathematical water modeling formulation, logical extrapolation from existing data on the same or similar watershed or other reasonable predictive techniques which regionalize and synthetize historical, geologic and hydrologic parameters on the general area to determine surface ground water conditions, together with site specific data in determining the probable hydrologic consequences of the proposed mining.

(2) Climatological data, average seasonable precipitation, average direction and velocity of prevailing winds or seasonable temperature ranges, shall be submitted by the applicant only when requested by the department on a site-by-site basis.

(3) A statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found; an analysis of the chemical properties of such coal; the sulfur content of any coal seam to be disturbed; chemical analysis of potentially acid or toxic forming sections of the overburden; or chemical analysis of the stratum lying immediately underneath the coal seam to be mined, may be waived by the department with respect to the specific application by a written determination that such requirements are unnecessary.

(4) Applicants may submit fish and wildlife information within the proposed mine plan area and adjacent areas in the form of published data or data otherwise available from state and federal fish and wildlife management, conservation or regulatory agencies and site-specific information unless the department requires such information based on reasonable grounds to believe that the available data is inaccurate.

(5) The department shall provide in its regulations that notwithstanding an operator's detailed estimated timetable for the reclamation plan in the application, as long as the operator is in compliance with the contemporaneous reclamation requirements of its regulations, a failure to adhere to said timetable shall not be an independent basis for a violation.

(6) The department shall provide in its regulations establishing environmental protection, performance standards that an operator may augment subsoil strata with chemical or organic soil supplement materials produced on site or elsewhere for the purpose of complying with the topsoiling requirements of this chapter if topsoil is of insufficient quality or of poor quality for sustaining vegetation.

(7) The department shall compile by September 1, 1980, available background hydrologic information concerning the general areas in which surface coal mining has or may be conducted in the Commonwealth as may be available in standard published form, research reports, studies or data compiled by other state or federal agencies including state-supported colleges and universities, the department's own files, including, at a minimum, quality and quantity of water in surface and ground water systems; minimum, maximum and average discharge quantities at peak and critical low flow and seasonal variations; dissolved and suspended solids, acidity, ph, iron and manganese under seasonal flow conditions; and any other background hydrologic information required by the department concerning the hydrologic regime of a general area prior to mining for purposes of making a determination of the probable consequences of the mining; and shall make available to an operator such data and information concerning general areas within ten (10) days of a request in writing.

(8) The department shall classify all abandoned mine land program reclamation projects as government financed construction and not surface coal mining operations and the extraction of coal as an incidental part of such projects shall be exempt from the requirements of this chapter and regulations promulgated pursuant thereto.

(9) The department shall not arbitrarily deny or unreasonably delay any permit application based upon the information required in this section if the registered professional engineer or geologist or other qualified person has utilized or developed a procedure or analytical method that differs from departmental technical guidelines; provided, that the registered professional engineer or geologist or other qualified person shall design a sampling and testing program based on all available information and on a site-specific basis. The reasons for denial shall be given in writing and shall be reasonably specific. The requirements contained in subsection (3) of this section may be waived for locations where the department determines that adequate information is already available to the department.

Section 5. KRS 350.093, 1980 Acts, Chapter 62, Section 10, operative on approval of primacy, is amended to read as follows:

(1) As determined by regulations of the department, time limits shall be established requiring backfilling, grading and planting to be kept current, such that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable under regulations promulgated by the department. All backfilling and grading shall be completed before necessary equipment is moved from the operation; provided however that the department may for good cause approve the moving of equipment before all backfilling and grading is completed.

(2) *The department may allow an operator to defer contemporaneous reclamation requirements on specified areas if the operator can demonstrate that said deferment is necessary to address at least one (1) of the following:*

(a) Adverse condition including weather, labor and other conditions clearly beyond the operator's control;

(b) Other bona fide mining operations carried out on a strip mined area, pursuant to KRS 350.080;

(c) Coal marketing problems.

Application for a deferment pursuant to this section shall be in the form prescribed by the department. Approval of the deferment request shall be made in writing. The approval shall state that the deferment is justified and that no environmental damage will occur during the period of deferment. Reclamation deferments may be approved for a period reasonably related to the specified conditions justifying the deferment, but in no event shall the aggregate deferral period exceed thirty (30) months, nor shall the deferral extend beyond the expiration date of the permit. The department shall periodically reexamine and update the amount of the bond on the permit area so that the amount of the bond is sufficient to assure completion of reclamation if the work had to be performed by the department in the event of forfeiture.

(3) If the operator or other person desires to conduct drift mining or other underground mining upon the premises or use the openings for haulageways or other lawful purposes, the operator may designate locations to be used for such purposes at which places it will not be necessary to backfill as herein provided for until such drift or other underground mining or other use is completed, during which time the bond on file for that portion of the operation shall not be released. That portion of such locations shall be described and designated on the map attached thereto; provided, that where the operator or other person wishes to combine surface operations with underground mining operations to assure maximum practical recovery of coal

resources, the department may grant a variance, pursuant to regulations promulgated by the department, for specific areas within the reclamation plan from the requirement that reclamation efforts proceed pursuant to subsection (1) of this section so as to permit underground mining operations prior to reclamation.

(4)[~~(3)~~] The department may release in whole or in part the reclamation bond or deposit for a particular operation if the department is satisfied that the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this chapter. Such bond releases shall be made in accordance with the following schedule:

(a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of sixty percent (60%) of the bond or collateral for the applicable permit area.

(b) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the department shall retain that amount of the bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation; such amount shall be retained for the period specified for operator responsibility for reestablishing revegetation. No part of the bond or deposit shall be released under this subsection so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of requirements set by this chapter or until soil productivity for prime farm lands has returned to levels of yield equivalent to those of unmined land of the same soil type in the surrounding area under equivalent management practices as determined from such soil surveys as may be required to be included in the permit application. Where a sedimentation pond is to be retained as a permanent impoundment, the portion of bond may be released under this subsection so long as provisions for sound future maintenance by the operator or the landowner have been made with the department.

(c) When the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility. Provided, however, that no bond shall be fully released until all reclamation requirements of this chapter are fully met.

(5)[~~(4)~~] Upon application by a permittee for total or partial bond release, the department shall notify the municipality where the surface coal mining operation is located, pursuant to regulations promulgated by the department.

(6)[~~(5)~~] (a) Upon receipt of the notification and request, the department shall within thirty (30) days conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface or subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution. The department shall notify the permittee in writing of its decision to release or not to release all or part of the performance bond or deposit within sixty (60) days from the filing of the request, if no public hearing is held pursuant to subsection *(7)*[~~(6)~~] of this section, and if there has been a public hearing held pursuant to subsection *(7)*[~~(6)~~] of this section, within thirty (30) days thereafter.

(b) If the department disapproves the application for release of the bond or portion thereof, the department shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to serve said release and allowing opportunity for a public hearing.

(7)[~~(6)~~] Any person having a valid legal interest which might be adversely affected by release of the bond, and the responsible officer or head of any governmental agency so designated by department regulations, shall have the right to file written objections to the proposed bond release with the department, and to request a hearing in accordance with procedural regulations promulgated by the department.

Section 6. KRS 350.130, 1980 Acts Chapter 62, Section 14, operative on approval of primacy, is amended to read as follows:

(1) When any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the department have not been complied with, the department shall forthwith cause a notice of noncompliance to be issued upon the *person or* operator. The department shall set forth in its notice a reasonable time period but not more than ninety (90) days for the abatement of the violation. If any person or operator has not abated the violation within the time prescribed in the notice of noncompliance, the secretary or other authorized personnel of the department shall issue to said operator or person an order for immediate compliance and cessation of any mining activities or operations which are contributing to the violation. Such order shall require the person or operator to abate the violation in the most expeditious manner possible. The secretary is authorized to promulgate reasonable regulations for the implementation of this section. [~~Where found necessary, the secretary shall after hearing (except as provided in KRS 224.071) order the suspension of a permit or operation.~~] Such notice or order shall be handed to the person in charge of the operation, and the operator *or person engaged in coal exploration operations* [~~in person~~] or sent by certified mail, return receipt requested or by registered mail addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the department.

The notice of noncompliance or order *for immediate compliance and cessation* [~~of suspension~~] shall specify in what respects the *person or* operator has failed to comply with this chapter or the regulations or orders of the department and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. If the *person or* operator has not reached an agreement with the department or has not complied with the requirements set forth in the notice of noncompliance or order *for immediate compliance and cessation* [~~of suspension~~] within time limits set therein, the permit may be revoked or the operation terminated, after *an opportunity for a* hearing, by order of the department and the performance bond, if any, shall then be forfeited to the department, except as provided in subsection (2) of this section and in KRS 350.110, *provided that failure to attend a hearing shall be excused for good cause shown.*

(2) When a bond is forfeited pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the department, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner cannot be located, or does not desire or is unable to accomplish the work in the manner required by the department.

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated or is at the time of the application in violation of this chapter or other applicable requirements as set forth in KRS 350.085 shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter or submitted proof satisfactory to the department under KRS 350.085 that such violation has been corrected or is in the process of being corrected in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the department finds is adequate to reclaim such lands. The department shall not issue any permits to or allow future operations by any operator or person who has demonstrated a pattern of willful violations of this chapter of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of this chapter, provided that no permit shall be denied on this basis without an opportunity for a hearing. The secretary shall promulgate regulations which implement this section. For the purposes of this section, if a corporate permittee has demonstrated a pattern of willful violations, then any subsequent application for a permit by that corporation, or any person who controls or has controlled that corporation, shall be denied.

(4) [~~Whenever the secretary or authorized representatives of the department, pursuant to the general authority of KRS 224.071, exercises such authority to order the discontinuance, abatement, alleviation, or cessation of conditions or operations which present a danger to the health or welfare of the people or which result in or are likely to result in damage to natural resources or the environment~~] In *the* exercise of the secretary's enforcement powers and authority under this chapter, the secretary, or an authorized representative of the department, after inspection shall immediately order the cessation of such condition or operation when he determines that the condition or operation creates an imminent danger to the health or safety of the public or that the condition or operation is causing or can reasonably be expected to cause significant imminent environmental harm in violation of this chapter or the regulations pursuant to this chapter, or any permit condition. For purposes of this subsection, "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this chapter in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

(5) Each provision of this section shall be interpreted and applied consistently with due process of law.

(6) The secretary, or authorized representatives of the department, shall have the power to vacate, amend, modify, or terminate notices of noncompliance and cessation orders, pursuant to regulations promulgated by the department.

Section 7. KRS 350.450, 1980 Acts Chapter 62, Section 33, operative on approval of primacy, is amended to read as follows:

(1) If the area proposed to be mined contains prime farmland as defined in Public Law 95-87, "surface mining control and reclamation act of 1977," then no permit shall be issued unless it complies with Section 510(d)(1) therein. Nothing in this subsection shall apply to any permit issued prior to August 3, 1977, or to any revisions or renewals thereof, or to any existing surface coal mining operations for which a permit

was issued prior to August 3, 1977. Nothing herein shall be construed as authorizing the department to promulgate regulations more stringent than those promulgated pursuant to PL 95-87 relating to prime farmland.

(2) Where a surface coal mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, the operation shall comply with the requirements of subsections (2)(c) and (d) of this section without regard to the requirements of KRS 350.410 or 350.445(2) and (3) with respect to lands from which overburden and the coal seam being mined have not been removed; provided, however, the department shall establish internal procedures pursuant to which it shall permit surface coal mining operations for the purposes set forth in subsection (2)(b) of this section.

(a) Where an applicant meets the requirements of subsections (2)(b) and (c) of this section a permit without regard to the requirements to restore to approximate original contour set forth in KRS 350.410 or 350.445(2) and (3) may be granted for the surface coal mining operations where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill, except as provided in subsection (2)(c)(1.) of this section, by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining and capable of supporting postmining uses in accord with the requirements of this subsection.

(b) In cases where an industrial, commercial, agricultural, residential, or public facility (including recreational facilities) use is proposed for the postmining use of the affected land, the department may grant a permit for a surface coal mining operation of the nature described in subsection (2)(a) of this section where:

1. After consultation with the appropriate land use planning agencies, if any, the proposed postmining land use is deemed by the department to constitute an equal or better economic or public use of the affected land as compared with premining use;

2. The applicant presents specific plans for the proposed postmining land use and appropriate assurances that the land use will be:

a. Compatible with adjacent land uses;

b. Obtainable according to data regarding expected need and market;

c. Assured of investment in necessary public facilities;

d. Supported by commitments from public agencies where appropriate;

e. Practicable with respect to private financial capability for completion of the proposed use;

f. Planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

g. Designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

3. The proposed use would be consistent with adjacent land uses and existing state and local land use plans;

4. The department provides the governing body of the unit of general-purpose government in which the land is located, and any state or federal agency which the department in its discretion determines to have an interest in the proposed use, an opportunity of not more than thirty (30) days to review and comment on the proposed use; and

5. All other requirements of this chapter will be met.

(c) In granting any permit pursuant to this subsection the following requirements apply:

1. The toe of the lowest coal seam and the overburden associated with it are retained in place as a barrier to slides and erosion;

2. The reclaimed area is stable;

3. The resulting plateau or rolling contour drains inward from the outslopes except at specified points;

4. No damage will be done to natural watercourses;

5. Spoil will be placed on the mountaintop bench as is necessary to achieve the planned postmining land use; provided, that all excess spoil material not retained on the mountaintop shall be placed in accordance with the provisions of KRS 350.440; and

6. Insure stability of the spoil retained on the mountaintop and meet the other requirements of this chapter.

(d) The regulatory authority shall promulgate specific regulations to govern the granting of permits in accord with the provisions of this subsection.

(e) All permits granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(3) (a) The department shall adopt procedures pursuant to which it may permit variances from the requirements of KRS 350.410 for the purposes set forth in subsection (3)(c) of this section, provided that

the watershed control of the area is improved, and further provided, complete backfilling with spoil material shall be required to cover completely the highwall, which material will maintain stability following mining and reclamation.

(b) Where an applicant meets the requirements of subsections (3)(c) and (d) of this section, a variance from the requirement to restore the approximate original contour set forth in KRS 350.410 and 350.445(2) may be granted for surface coal mining operations where the owner of the surface knowingly requests in writing, as a part of the permit application, that such a variance be granted so as to render the land, after reclamation, suitable for an industrial, commercial, residential, or public use, including recreational facilities.

(c) After consultation with the appropriate land use planning agencies, if any, the potential use of the affected land shall:

1. Be deemed by the department to constitute an equal or better economic or public use;

2. Be designed and certified by a qualified registered professional engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site; and

3. The watershed of the affected land be deemed by the department to be improved.

(d) In granting a variance pursuant to subsection (3)(b) of this section, the department shall require that only such amount of spoil will be placed off the mine bench as is necessary to achieve the planned postmining land use, insure stability of the spoil retained on the bench, meet all other requirements of this chapter, and require all spoil placement off the mine bench to comply with KRS 350.440.

(e) The department shall promulgate specific regulations as it deems necessary, if any, to govern the granting of variances in accord with the provisions of this subsection and may impose such additional requirements as it deems to be necessary.

(f) All exceptions granted under the provisions of this subsection shall be reviewed not more than three (3) years from the date of issuance of the permit, unless the permittee affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the reclamation plan.

(4) The department shall adopt programs, regulations, and procedures designed to provide technical assistance to assist the small coal operator with the permitting and environmental protection performance standards for surface coal mining operations within the Commonwealth. Such programs shall be directed towards eliminating delays in the processing of permits by establishing a special administrative program to review small operator's permit applications and by establishing a procedure for providing the small operator the technical services of public and private agencies in addition to the services provided pursuant to KRS 350.465(2)(f) necessary for completing the permit application. Specifically, notwithstanding any other provision of this chapter or regulations adopted pursuant thereto, for the purpose of this program, the department shall:

(a) *Develop a simplified small operator permit application. The department shall notify all applicants of deficiencies in the form of the application by certified mail within ten (10) working days after the filing in the regional office. The applicant shall have ten (10) working days after the receipt of the notification to repair the deficiencies. Upon failure of the applicant to repair the deficiencies within ten (10) working days after receipt of the notification, the department may return the application as incomplete* [~~Allow a small operator to pay the cost of the permit and acreage fees in not less than four (4) equal installments over the term of the permit.~~

~~(b) Develop a simplified small operator permit application. The department shall notify the applicant of all deficiencies in the form of the application by certified mail within ten (10) working days after the filing. The applicant shall have ten (10) working days after the receipt of the notification to repair the deficiencies. Upon failure of the applicant to repair the deficiencies within ten (10) working days after receipt of the notification, the department may return the application as incomplete~~].

(b)[~~(c)~~] Provide in the abandoned mine land program for small operators having mined coal under a state permit or license in the previous three (3) years, participation consisting at least of the following:

1. That lands acquired or reclaimed by the state containing coal, coal refuse or other marketable minerals which should be removed in order to maximize the utilization, recoverability or conservation of solid fuel resources or to protect against adverse water quality impacts and which, once reclaimed, cannot be disturbed again by mining, shall be reclaimed by small operators unless the department determines, after advertisement and advance opportunity to bid, that the reclamation project cannot be performed by the small operator bidders;

2. That the department shall establish procedures for maximizing participation by small operators in all reclamation projects including:

a. Designing and establishing project specifications and setting forth in the annual request for federal funding under the state reclamation plan not less than twenty percent (20%) of said projects on cost basis to be performed by small operators;

b. Advance advertising, soliciting, evaluating bids and awarding contracts on all state reclamation projects for small operators.

3. In the event no bids are submitted by small operators for small operator projects, said projects will be thereafter open for public bidding and no longer designated as small operator projects but shall satisfy that portion of the twenty percent (20%) set aside.

(c)[~~(d)~~] For the purposes of this subsection, a small coal operator is one who is anticipated to mine less than two hundred thousand (200,000) tons per year, and the department in determining tonnage for qualification shall consider all production from common ownership of other corporations or operations.

(d)[~~(e)~~] Upon written notification by the small coal operator to the department stating that no more mining will take place under a permit, the department shall release a portion of the bond in accordance with KRS 350.070. In making its determinations pursuant to KRS 350.070 the department shall:

1. Determine the percentage of the permitted acreage in the area of reduction in relation to the initial acreage of the permit;

2. Examine the land which has been disturbed and estimate the cost of reclamation;

3. When the estimated cost of reclamation does not exceed ten thousand dollars ($10,000) then the department shall return all bond money in excess of the ten thousand dollars ($10,000);

4. When the estimated cost of reclamation exceeds ten thousand dollars ($10,000) the department shall retain the amount estimated and shall return all bond money in excess of the estimated amount but in no case shall the department return more than the amount determined by multiplying the percentage determined under paragraph 1. of this subsection times the original total bond amount.

Section 8. KRS 350.610 is amended to read as follows:

(1) The secretary of the department for natural resources and environmental protection is hereby authorized to establish a planning process enabling objective decisions based upon competent and scientifically sound data as to which, if any, lands of the Commonwealth are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in this chapter; provided, that any such designation shall not prevent coal or other mineral exploration of any area so designated.

(2) Upon petition and hearing pursuant to subsection (6) of this section, the secretary shall designate an area as unsuitable for all or certain types of surface coal mining operations, if the secretary determines that reclamation pursuant to this chapter is not technologically and economically feasible.

(3) Upon petition and hearing pursuant to subsection (6) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will:

(a) Be incompatible with existing state and local land use plans; or

(b) Affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and aesthetic values, and natural systems; or

(c) Affect renewable resource lands in which such operations could result in a substantial loss or reduction of long range productivity of water supply or food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(d) Affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) Determinations of the unsuitability of land for surface coal mining shall be integrated as closely as possible with present and future land use planning and regulation processes at any appropriate level of government, including but not limited to any valid exercise of authority of a municipality or county, acting independently or jointly, pursuant to KRS Chapter 100.

(5) The requirements of this section shall not apply to lands on which coal mining operations were being conducted on August 3, 1977 or under a permit issued pursuant to this chapter or where substantial legal and financial commitments in such operation were in existence prior to January 4, 1977.

(6) Other provisions of this chapter relating to hearings to the contrary notwithstanding, any person having an interest which is or may be adversely affected shall have the right to petition the department to the extent such a petition would be consistent with subsections (2) and (3) of this section, to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts *which shall be specific as to the petitioner's designated area and shall be based upon objective evidence which would tend to establish the allegations. The department shall make a determination or finding whether the petition is complete, incomplete or frivolous* [~~with supporting evidence which would tend to establish the allegations~~]. Within ten (10) months after the receipt of the petition, the department shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing, pursuant to regulations promulgated by the department to implement this section provided that when a permit application is pending before the department and such application involves an area in a designation petition, the department shall hold the hearing on the petition within ninety (90) days of its receipt. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty (60) days after such a hearing, the department shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all petitioners stipulate

agreement prior to the requested hearing and withdraw their request, such hearing need not be held. *Within thirty (30) days after receipt of an order, determination, finding or decision by the department or the secretary hereunder, any applicant, or any person with an interest which is or may be adversely affected and who is aggrieved by the order, determination, finding or decision of the department or secretary may obtain judicial review thereof by appealing to the circuit court of Franklin County pursuant to the provisions of KRS 224.085.*

(7) Prior to designating any land areas as unsuitable for surface coal mining operations, the department shall prepare a detailed statement on:

(a) The potential coal resources of the area;
(b) The demand for coal resources; and
(c) The impact of such designation on the environment, the economy, and the supply of coal.

(8) Subject to subsection (5) of this section, the department shall not issue a permit to conduct surface coal mining and reclamation operations in contravention of any designation or any decision on any petition pursuant to subsection (6) of this section regarding any surface area designated unsuitable for mining; nor shall the department issue a permit to conduct surface coal mining and reclamation operations in an area under study for such designation in an administrative proceeding already commenced under subsection (6) of this section.

Section 9. KRS 350.990, 1980 Acts Chapter 62, Section 35, operative on approval of primacy, is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, may be liable to a civil penalty of not more than five thousand dollars ($5,000) for said violation, and an additional civil penalty of not more than five thousand dollars ($5,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section; provided, however, that any operator or person who fails to abate a violation noted in a notice of noncompliance *or an order for immediate compliance and cessation* within the time period prescribed for such abatement shall be assessed a civil penalty of not less than seven hundred fifty dollars ($750) for each day during which such violation continues. A civil penalty of not more than five thousand dollars ($5,000) for each day shall be assessed against any person issued an order pursuant to KRS 350.130(4). Each day of continuing violation may be deemed a separate violation for purposes of penalty assessment. *The department shall develop a method for calculating monetary penalties and shall promulgate it as a regulation. The secretary or a designated representative, upon his or her own initiative or upon written request received within fifteen (15) days after the department mails its proposed penalty assessment, may waive the use of such method for calculating monetary penalties if he or she determines that, taking into account exceptional factors present in the particular case, the penalty is demonstrably unjust. The basis for every waiver shall be fully explained and documented in the records of the case. If the secretary or his or her designated representative waives the use of the formula, he or she shall determine the appropriate penalty upon consideration of the permittee's history of previous violations at the particular surface coal mining operation, the seriousness of the violation, whether the permittee was negligent, and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.* Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the department's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto. All sums recovered shall be placed in the state treasury.

(2) Any person who engages in surface coal mining *operations* without first securing a permit, as provided in KRS 350.060, or any person who engages in operations without proper authorization, as required by the department pursuant to KRS 350.151 shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars ($5,000) nor more than twenty-five thousand dollars ($25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries of the permit in effect at that time.

(3) It shall be the duty of the department's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit

Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the department or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the department promulgated pursuant thereto.

(4) Any person who shall knowingly and willfully violate any of the provisions of this chapter, except as provided in subsection (5) or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than ten thousand dollars ($10,000) or by imprisonment for not more than one (1) year, or both. Each day on which such violation occurs may constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, willfully and knowingly engages in surface coal mining without first obtaining a permit from the department or any person who willfully and knowingly engages in operations without proper authorization, as required by the department pursuant to KRS 350.151 with the intent to violate such laws shall be guilty of a Class A misdemeanor and upon conviction thereof shall be imprisoned for a term of up to one (1) year.

(6) Any person who violates any of the provisions of this section or regulations promulgated pursuant thereto shall be subject to civil penalties of not more than twenty-five thousand dollars ($25,000). Each day of continuing violation shall be deemed a separate violation.

(7) Any person who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the department, shall upon conviction be guilty of a misdemeanor and shall be imprisoned for a term of up to one (1) year, or be fined not more than ten thousand dollars ($10,000), or both.

(8) Except as permitted by law, any person who shall willfully resist, prevent, impede, or interfere with the secretary or other personnel of the department in the performance of duties pursuant to this chapter shall, upon conviction, be fined not more than five thousand dollars ($5,000) or imprisoned for not more than one (1) year, or both.

(9) Whenever a corporate permittee violates any provision of this chapter or regulation issued pursuant thereto or fails or refuses to comply with any final order issued by the secretary, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure or refusal shall be subject to the same civil penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

(10) Any person found in violation of KRS 350.060 shall be fined not more than five hundred dollars ($500) for each violation, nor less than fifty dollars ($50).

Section 10. KRS 350.400, Applicability, is repealed.

Section 11. The general assembly finds and declares that it is vitally important to the Commonwealth that the statutes relating to surface coal mining be cohesive and administratively workable. Therefore, the general assembly finds and declares that an emergency exists and that this legislation shall become validly enacted law when signed by the governor, and the provisions of this Act shall become operative simultaneously with the approval of the state's proposed permanent program by the secretary of the interior pursuant to Public Law 95-87, the surface mining control and reclamation act of 1977. In the event that the secretary of the interior approves the permanent program before this legislation is signed by the governor, then the provisions of this Act shall become effective immediately upon the signing of this Act by the governor.

SB 267, AN ACT relating to coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.010 (1980 Acts, Chapter 62, Section 1, effective upon primacy) is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine or subject to the requirements of this chapter and surface impacts incident to an underground coal mine. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, *extended depth secondary recovery systems,* mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and cleaning, concentrating or other processing or preparation, and the loading of coal at or near the mine site. Such activities shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him, or the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department. Surface coal mining operations shall also include the areas

upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to such activities. This definition includes the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the department nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations as required by this chapter;

(4) "Overburden" means all of the earth and other materials which lie above a natural deposit of coal and also means such earth and other material after removal from their natural state in the process of surface coal mining;

(5) "Area of land affected" means the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited and shall include all lands affected by the construction of new roads or the improvement or use of existing roads other than public roads, to gain access and to haul coal;

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership or corporation engaged in surface coal mining and reclamation operations who removes or intends to remove more than two hundred fifty (250) tons of coal from the earth by surface coal mining within twelve (12) successive calendar months or who removes overburden for the purpose of determining the location, quality or quantity of a natural coal deposit;

(9) "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company or other business organization;

(10) "Department" means the department for natural resources and environmental protection;

(11) "Secretary" means the secretary of the department for natural resources and environmental protection;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the department;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf or terrace formed in the contour method of strip mining;

(15) "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section;

(16) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the department determines that they are in compliance with KRS 350.455.

SB 380, AN ACT relating to surface mining and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.425 is amended to read as follows:

The operator shall design, locate, construct, operate, maintain, enlarge, modify, and remove or abandon, in accordance with the standards and criteria developed pursuant to subsection (f) of Section 515 of Public Law 95-87, "Surface Mining Control and Reclamation Act of 1977," all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, and used either temporarily or permanently as dams or embankments. *The Kentucky bureau of surface mining through KRS Chapter 350 shall have exclusive jurisdiction over KRS Chapter 151 concerning the regulation of dams, levees, embankments, dikes, bridges, fills, or other obstructions across or along any stream or in the floodway of any stream, which structures or obstructions are permitted under this chapter.*

Section 2. KRS 151.250 is amended to read as follows:

(1) Notwithstanding any other provision of law, no person and no city, county, or other political subdivision of the state, including levee districts, drainage districts, flood control districts or systems, or similar bodies, shall commence the construction, reconstruction, relocation or improvement of any dam, embankment, levee, dike, bridge, fill or other obstruction (except those constructed by the state highway department) across or along any stream, or in the floodway of any stream, unless the plans and specifications for such work have been submitted by the person or political subdivision responsible for the construction, reconstruction or improvement and such plans and specifications have been approved in writing by the department and a permit issued. However, the department by regulation, may exempt those dams, embankments or other obstructions which are not of such size or type as to require approval by the department in the interest of safety or retention of water supply.

(2) No person, city, county or other political subdivision of the state shall commence the filling of any area with earth, debris, or any other material, or raise the level of any area in any manner, or place a building, barrier or obstruction of any sort on any area located adjacent to a river or stream or in the floodway of the stream so that such filling, raising or obstruction will in any way affect the flow of water in the channel or in the floodway of the stream unless plans and specifications for such work have been submitted to and approved by the department and a permit issued as required in subsection (1) above.

(3) Nothing in this section is intended to give the department any jurisdiction or control over the construction, reconstruction, improvement, enlargement, maintenance or operation of any drainage district, ditch, or system established for agricultural purpose, or to require approval of the same except where such obstruction of the stream or floodway is determined by the department to be a detriment or hindrance to the beneficial use of water resources in the area, and the person or political subdivision in control thereof so notified. *The Kentucky bureau of surface mining through KRS Chapter 350 shall have exclusive jurisdiction over KRS Chapter 151 concerning the regulation of dams, levees, embankments, dikes, bridges, fills, or other obstructions across or along any stream or in the floodway of any stream which structures are permitted under KRS Chapter 350 for surface coal mining operations.*

Section 3. The general assembly finds and declares that it is vitally important to the Commonwealth that the statutes relating to surface coal mining be cohesive and administratively workable. Therefore, the general assembly finds and declares that an emergency exists and that this legislation shall become validly enacted law when signed by the governor, and the provisions of this Act shall become operative simultaneously with the approval of the state's proposed permanent program by the secretary of the interior pursuant to Public Law 95-87, the surface mining control and reclamation act of 1977. In the event that the secretary of the interior approves the permanent program before this legislation is signed by the governor, then the provisions of this Act shall become effective immediately upon the signing of this Act by the governor.

SB 385, AN ACT relating to underground coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 351.125-351.130 IS CREATED TO READ AS FOLLOWS:

(1) A certified emergency medical technician trained as defined by the commissioner with such training provided for by the commissioner shall be employed at every coal mine with twenty-five (25) or more employes engaged in the extraction, production, or preparation of coal. An additional emergency medical technician shall be employed for every additional one hundred (100), or majority fraction thereof, employes who are engaged in the extraction, production, or preparation of coal. If these emergency medical technicians are also employed in other capacities at the coal mine, they shall be available for quick response to emergencies and shall have available to them at all times the equipment necessary to respond to emergencies, as prescribed by the commissioner.

(2) If the operator does not have a sufficient number of certified emergency medical technicians in its employ to meet the requirements of subsection (1) of this section, persons to be trained as emergency

medical technicians shall be selected from the operator's existing employes by the operator from the employes engaged in the extraction, production, or preparation of coal. Persons so selected who attend training requisite to becoming an emergency medical technician shall be paid their regular wages during training.

SB 396, AN ACT relating to coal.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 351 IS CREATED TO READ AS FOLLOWS:

(1) No person shall drill coal or detonate explosives within a mine using the method of shooting coal from the solid until that person successfully completes a training program administered by the department and has passed a test prescribed by the commissioner.

(2) No person shall be issued a certificate in accordance with subsection (1) of this section unless he or she presents valid evidence to the commissioner of having one (1) year of practical underground coal mine experience.

SECTION 2. A NEW SECTION OF KRS CHAPTER 351 IS CREATED TO READ AS FOLLOWS:

No miner will be required to operate any unsafe equipment. If the miner invokes his or her safety rights under this section, the miner shall have the right to be relieved from the assignment in dispute. No other miner shall be assigned to perform this job until the dispute is settled. The miner's authorized representative, and the company shall review the condition immediately and attempt to resolve the dispute. Should the miner not have an authorized representative, by may represent himself in the dispute. If the dispute is not settled by the company and the miner or his or her authorized representative, either party reserves the right to call in the commissioner or his authorized representative immediately and the dispute shall be settled on the basis of the inspector's finding with a written copy of his finding given to the company and the miner and his authorized representative. No disciplinary action shall be taken against the miner before the miner or his authorized representative and the company reviews the disputed condition.

Section 3. KRS 351.090 is amended to read as follows:

(1) The governor shall appoint an adequate number of mine inspectors to insure at least two (2) inspections annually, provided the mine is in operation the entire year or the proportionate thereof, of all mines in the state and sufficient additional inspectors to enable the commissioner to provide adequate surveillance of those underground coal mines where conditions or management policy dictate that more inspections are needed to insure the safety of miners. One or more of the appointees may be designated as electrical mine inspectors. The governor shall also appoint an adequate number of inspectors of mine weights and mine safety instructors. The term of office of each mine inspector, each electrical inspector, each inspector of mine weights and each mine safety instructor shall be during the period of capable, efficient service and good behavior.

(2) All mine inspectors, electrical inspectors, mine safety instructors, and inspectors of mine weights shall have a thorough knowledge of first aid and mine rescue and be able to instruct in first aid and mine rescue, and shall possess thoroughly the knowledge required of the commissioner by KRS 351.060, and shall have a thorough and practical knowledge of mining gained by at least *ten (10)* [~~five (5)~~] years' experience in coal mines, at least two (2) of which must have been in mines in this state. [~~Senior mine inspectors shall have ten (10) years' experience in coal mines, at least two (2) of which must have been in mines in this state.~~] For the purposes of this subsection, a degree in mining engineering [~~or mine technology~~] from a recognized institution shall be deemed equivalent to two (2) years of practical experience in coal mines *or an associate degree in mining technology from a recognized institution shall be deemed equivalent to one (1) year practical experience in coal mines.* Persons desiring to use their mining engineering or technology degree for [~~two (2) years of~~] practical experience credit shall file a certified transcript of their grades and proof of having received their degree prior to examination.

(3) No person shall be appointed to the office of mine inspector, electrical inspector, or mine safety instructor until he has passed a satisfactory examination before the board. The commissioner may recommend to the governor applicants for mine inspector, electrical inspector, or mine safety instructor who have successfully passed the examination and are proved by worth, training and experience to be the most competent of the applicants.

(4) Mine inspectors, electrical inspectors, mine safety instructors, and inspectors of mine weights shall be of good moral character and temperate habits and shall not, while holding office, act in any official capacity in operating any coal mine.

(5) No reimbursement for traveling expenses shall be made except on an itemized accounting for such expenses submitted by inspectors and safety instructors who shall verify upon oath that such expenses were incurred in the discharge of their official duties.

(6) Each mine inspector, electrical inspector, mine safety instructor, and inspector of mine weights shall take oath, which shall be certified by the officer administering it. The oath, in writing, and the certificate, shall be filed in the office of the Secretary of State.

(7) Each mine inspector, electrical inspector, mine safety instructor, and inspector of mine weights shall give bond with surety approved by the governor.

Section 4. KRS 351.120 is amended to read as follows:

(1) The commissioner shall issue a certificate to each person who possesses the qualifications required by law for mine inspector, electrical inspector, mine safety instructor, assistant mine foreman, mine foreman, fire boss, shotfirer and other mining specialties as established by the board, or miner who has passed the examination given by direction of the board for that position.

(2) The certificate shall be in such form as the commissioner prescribes, shall be signed by the commissioner, and shall show that the holder has passed the required examination and possesses the qualifications required by law for mine inspector, electrical inspector, mine safety instructor, assistant mine foreman, mine foreman, fire boss, shotfirer and other mining specialties as established by the board, or miner and is authorized to act as such.

(3) Certificates issued to mine foremen, assistant mine foremen, and fire bosses shall be classified as follows:

(a) Mine foreman certificates, authorizing the holder to act as foreman for all classes of coal or clay mines;

(b) Assistant mine foreman certificates, authorizing the holder to act as assistant foreman[~~. Upon the completion of five years' mining experience evidenced by acceptable affidavits, the holder may apply to the board for a mine foreman's certificate~~];

(c) Fire boss certificates, authorizing the holder to act as fire boss or mine examiner in any mine.

(4) Any mine foreman or assistant mine foreman may act as fire boss or mine examiner, and any regularly employed fire boss may act in an emergency as a mine foreman or assistant mine foreman. This shall not apply to persons holding a second class mine foreman certificate issued before June 16, 1972.

(5) The class of mine foreman's certificate awarded shall be determined by the board according to the experience of the applicant.

(6) No certificate shall be granted to any person who does not present to the board satisfactory evidence, in the form of affidavits made by well known and responsible persons in the locality from which he came, that the applicant is a man of sobriety and good moral character, and that he has had the required practical experience in underground coal or clay mines, or to any person who is not either a bona fide resident of this state or employed at an underground mine in this state. A data sheet must be filed by each applicant showing places of employment, beginning month and year and ending month and year employed by each company and list jobs performed, showing at least the number of required years. Affidavit and data sheet forms will be furnished by the department. For the purpose of this subsection, persons holding a four-year degree in mining engineering from a recognized institution shall be credited with the equivalent of two (2) years of practical experience in coal mines when applying for mine foreman and assistant mine foreman certificates. Persons holding an associate degree in mining from a recognized institution shall be credited with the equivalent of two (2) years' experience when applying for a mine foreman certificate and one (1) year when applying for an assistant mine foreman certificate. Persons desiring to use their mining engineering or mining technology degree as credit for practical experience toward a mine foreman or assistant mine foreman certificate shall file a certified transcript of their grades and proof of having received their degree prior to the examination. *Applicants for mine foreman certificate must have five (5) years' practical underground experience gained after achieving the age of eighteen (18); at least one (1) year of this experience must be in or on an active working section. Applicants for assistant mine foreman or fire boss certificate must have three (3) years' practical underground experience gained after achieving the age of eighteen (18); at least one (1) year of this experience to be in or on an active working section* [~~A minimum of five (5) years' practical underground experience is required of applicants for mine foreman certificates and a minimum of three (3) years' practical underground experience is required of applicants for assistant mine foremen and fire boss certificates~~].

(7) Persons possessing certificates of qualifications to act as mine inspector, mine foreman, assistant mine foreman or fire boss prior to *July 15, 1982* [~~June 16, 1972~~], are not affected by this section.

(8) When approved by the commissioner, any person holding a mine foreman's certificate issued by any other state may act in the capacity of mine foreman in any mine in this state until the next regular mine foreman's examination held by the department, but not to exceed a maximum of ninety (90) days.

(9) A member of the supervisory personnel shall be present at the working section except in cases of emergencies at all times employes under his supervision are at the working section on coal-producing shifts.

Section 5. KRS 352.241 is amended to read as follows:

(1) Explosives or detonators carried anywhere underground by any person shall be in containers constructed substantially of nonconductive material, maintained in good condition and kept closed.

(2) When explosives or detonators are transported underground in cars moved by means of a locomotive or rope, or in shuttle cars, they shall be in substantial covered cars or in special substantial covered containers used specifically for transporting detonators or explosives:

(a) The bodies and covers of such cars and containers shall be constructed or lined with nonconductive material;

(b) If explosives and detonators are hauled in the same explosives car or in the same special container, they shall be separated by at least a four (4) inch substantially fastened hardwood partition or the equivalent;

(c) Explosives, detonators, or other explosive items shall not be transported on the same trip with men;

(d) When explosives or detonators are transported in special cars or containers in cars, they shall be hauled in special trips not connected to any other trip; provided, however, that this does not prohibit the use of such additional cars as needed to lower a rope trip, or to haul supplies including timbers; and provided further that materials so transported shall not project above the top of the car. Exposed highly flammable materials such as hay, oil, or grease shall not be hauled on the same trip with explosives;

(e) Explosives or detonators shall not be hauled into or out of a mine within five (5) minutes preceding or following a man trip or any other trip.

(3) Explosives and detonators shall be transported underground by belt only under the following conditions:

(a) In the original and unopened case, in special closed cases constructed of nonconductive material, or in suitable individual containers;

(b) Clearance requirements shall be the same as those for transporting men on belts;

(c) Suitable loading and unloading stations shall be provided;

(d) Stop controls shall be provided at loading and unloading points, and an attendant shall supervise the loading and unloading of explosives and detonators.

(4) Neither explosives nor detonators shall be transported on flight or shaking conveyors, scrapers, mechanical loading machines, locomotives, cutting machines, drill tracks, or any self-propelled mobile equipment; provided, however, that this does not prohibit the transportation of explosives or detonators in special substantial covered containers as used in subsection (2) of this section in shuttle cars or in equipment designed especially to transport such explosives or detonators.

(5) When supplies of explosives and detonators for use in one or more sections are stored underground, they shall be kept in section boxes or magazines of substantial construction with no metal exposed on the inside, located at least twenty-five (25) feet from roadways and power wires, and in a reasonably dry, well-rock-dusted location protected from falls of roof. In pitching beds, where it is not possible to comply with the location requirement, such boxes shall be placed in niches cut into the solid coal or rock.

(6) When explosives or detonators are stored in the section, they shall be kept preferably in separate boxes or magazines not less than five (5) feet apart; if kept in the same box or magazine, they shall be separated by at least a four (4) inch substantially fastened hardwood partition or the equivalent. Not more than a forty-eight (48) hour supply of explosives or detonators shall be stored underground in any one (1) section in such boxes or magazines.

(7) Explosives and detonators stored near the working faces shall be in separate closed containers, and shall be in a location out of line of blast not less than fifty (50) feet from the face and fifteen (15) feet from any pipeline, powerline, rail or conveyor; except that if kept in niches in the rib, the distance from pipeline, powerline, rail or conveyor shall be at least fifteen (15) feet. Such explosives and detonators, when stored, shall be separated by a distance of at least ten (10) feet.

(8) Explosives and detonators shall be kept in their containers until immediately before use at the working faces.

(9) Only nonmetallic tools shall be used for opening wooden explosives containers. Tools or other materials shall not be stored with explosives or detonators.

(10) All explosives used underground in underground mines except in sinking shafts and slopes from the surface shall be of the permissible type, specifically designed and manufactured for underground use, and shall be used as follows:

(a) Fired only with electric detonators of proper strength;

(b) Fired with *a* permissible shot-firing *unit of adequate capacity to fire all caps; however, if firing is done from the surface when all men are out of the mine firing unit does not need to meet specifications of permissibility* [~~units, unless firing is done from the surface when all men are out of the mine~~];

(c) Where the coal or clay is cut, shots shall not be fired if the blast hole is drilled beyond the limits of the cut;

(d) Boreholes shall be cleaned, and they shall be checked to see that they are placed properly and are of correct depth, in relation to the cut, before being charged;

(e) All blasting charges shall have a burden of at least eighteen (18) inches in all directions if the height of the seam permits;

(f) Boreholes shall be stemmed with at least twenty-four inches (24) of incombustible material, or at least one-half (½) of the length of the hole shall be stemmed if the hole is less than four (4) feet in depth unless other permissible stemming devices or methods are used;

(g) Examinations for gas shall be made immediately before firing each shot or group of multiple shots and after blasting is completed;

(h) Shots shall not be fired in any place where methane can be detected with a flame safety lamp when tested at a point not less than twelve (12) inches from the roof, face or rib;

(i) Charges exceeding one and one-half (1 ½) pounds, but not exceeding three (3) pounds, shall be used only if boreholes are six (6) feet or more in depth, the explosives are charged in a continuous train, with no cartridges deliberately deformed or crushed, with all cartridges in contact with each other and with the end cartridges touching the back of the hole and the stemming respectively; Provided, however, That the three (3) pound limit does not apply to special solid rock work if the mine is evacuated or if approved by the department;

(j) Shots shall be charged and fired by certified shot firers designated by the mine foreman;

(k) Boreholes shall not be charged while any other work is being done at the face, and the shot or shots shall be fired before any other work is done in the zone of danger from blasting except that which is necessary to safeguard the employes;

(l) Only nonmetallic tamping bars shall be used for charging and tamping boreholes. This does not prohibit the use of a nonmetallic tamping bar with a nonsparking metallic scraper on one (1) end;

(m) The leg wires of electric detonators shall be kept shunted until ready to connect to the firing cable;

(n) Shots shall not be fired from the power of signal circuit while any men are in the mine;

(o) The roof and ribs of working places shall be tested before and after firing each shot or group of multiple shots;

(p) Ample warning shall be given before shots are fired, and care shall be taken to ascertain that all persons are in the clear. Men shall be removed from adjoining working places when there is danger of a shot blowing through;

(q) Mixed types or brands of explosives shall not be charged or fired in any borehole;

(r) Mudcaps (adobes) or other unconfined shots shall not be fired underground in a mine;

(s) Before blasting, the continuity of the blasting circuits shall be tested with a permissible blaster's galvanometer specifically designed for this purpose;

(t) No instantaneous detonator shall be connected in a circuit containing short-period delay detonators. The first charge in a sequence shall be initiated by a short period delay detonator having a nominal delay period of not less than twenty-five (25) milliseconds;

(u) All short period delay detonators shall be wired in series;

(v) Each primer shall be made with care to insure that the detonator is inserted properly and does not protrude from the wrapping and that the leg wires are secured to the cartridge in a manner so that the detonator will not become dislodged in handling and charging;

(w) In making a primer, a powder punch of non-sparking material shall be used. The hole in the cartridge shall be at least one-half (½) inch deeper than the detonator used. Rolling the end of a cartridge to receive a detonator is prohibited;

(x) The primer shall be placed in the borehole first pointing outward and the rest of the charge shall be pushed in a continuous train to the back of the borehole to prevent cuttings from getting between the cartridges;

(y) Suitable clean-up of loose coal and coal dust with adequate rock dusting or wetting down at the face of each working place shall be completed prior to charging shot holes.

(11) Blasting cables shall be:

(a) Well insulated and as long as may be necessary to permit the shot firer to get in a safe place around a corner;

(b) Short-circuited at the battery end until ready to attach to the blasting unit;

(c) Staggered as to length or the ends kept well separated when attached to the detonator leg wires;

(d) Kept clear of power wires and all other possible sources of active or stray electric current.

(12) Where misfires occur with electric detonators, a waiting period of at least five (5) minutes shall elapse before anyone returns to the shot. After such failure, the blasting cable shall be disconnected from the source of power and the battery ends short-circuited before electric connections are examined.

(13) Explosives shall be removed by firing a separate charge at least two (2) feet away from, and parallel to, the misfired charge or by washing the stemming and the charge from the borehole with water, or by inserting and firing a new primer after the stemming has been washed out.

(14) A very careful search of the working place, and, if necessary, of the blasted material after it reaches the surface shall be made after blasting a misfired hole, to recover any undetonated explosive.

(15) The handling of a misfired shot shall be under the direct supervision of the mine foreman or a competent person designated by him.

(16) Where compressed air is used for blasting or breaking coal or clay, the following shall apply:

(a) Compressed air shall be conducted from the compressor to within a practical working distance of the face by steel airlines tested to withstand an approximate pressure of twenty thousand (20,000) pounds per square inch;

(b) Airlines shall be grounded at the compressor and, if possible, at other low-resistance ground connections along the lines, such as at borehole casings. They shall not be connected in any way to tracks, waterlines, or other electric power return conductors and shall be suitably insulated where they cross electric wires or underneath the track;

(c) Shutoff valves shall be installed every one thousand (1,000) feet in all compressed-air blasting lines and in all branch lines at a point near the main lines;

(d) Compressed-air blasting lines shall be protected at places where equipment passes over, under, or adjacent to them;

(e) Steel, copper, or other lines shall not be handled or repaired when air pressure is in the line;

(f) Airlines shall be examined periodically for kinks or other weaknesses and replaced immediately when defects are found;

(g) Copper tubing shall be coiled and uncoiled properly. The part of the tubing that is affected by frequent coiling and uncoiling shall be renewed periodically because of the dangers from kinks and crystallization;

(h) Blowdown valves shall not be less than forty-five (45) feet from the face and shall be around a right angle;

(i) Holes for compressed-air tubes shall be within the limits of the cut;

(j) When blowdown valves are opened to discharge the tube, they shall remain open until time to place the tube in the next borehole except where shear-strip or shear-pin tubes are used;

(k) After breaking down the coal or clay in any one (1) place, the tube shall be disconnected at once from the airline and not reconnected until ready to be used in the next place;

(l) When a differential-pressure-type tube fails to discharge, the line leading to the tube shall be disconnected at the blowdown valve, and the tube shall be dragged by means of the line to an inactive place, marked with warning signs, and left one (1) hour before any repair work is done thereon;

(m) All persons shall be removed from adjoining working places where there is danger of breaking through and shall be at a safe distance around a right angle while coal or clay breaking is in progress.

Section 6. KRS 352.260 is amended to read as follows:

(1) Any operator of a mine shall designate only certified persons as shotfirers to prepare the cartridge and set off and discharge the shots.

(2) Shotfirers shall at all times be under the direction of the mine foreman.

(3) *The following conditions apply when shooting coal from the solid:*

(a) After July 15, 1982, all coal mine operators engaged in shooting coal from the solid shall submit an application for a permit to the commissioner on a form prescribed by the department.

(b) Before said permit is issued by the commissioner he shall have an investigation conducted of the mine to determine the adequacy of the proposed solid blasting plan in complying with all state laws and regulations applicable to blasting underground coal.

(c) The mine inspector shall have the authority to stop production at the mine by the issuance of a closure order to any operator who fails to obtain a permit when shooting coal from the solid. [~~The mine inspector may prescribe the conditions under which solid blasting may be done in any mine.~~]

(4) When using the method of solid blasting, no more than one (1) face shall be charged or detonated simultaneously.

(5) When shooting coal from the solid, not more than two (2) adjacent openers or cut holes shall be primed with detonators having the same delay period. The nominal delay intervals between the succeeding rows of horizons shall not be less than fifty (50) milliseconds nor more than one hundred (100) milliseconds.

Section 7. KRS 352.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 352.020 to 352.040, subsection (1) of KRS 352.050, KRS 352.060 to 352.090, KRS 352.110 to 352.140 or subsection (1) of KRS 352.190 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(2) Any person who violates any of the provisions of subsection (2) or (3) of KRS 352.050, subsection (2) of KRS 352.190 or KRS 352.220 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(3) Any person who violates any of the provisions of KRS 352.100 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(4) Any person who violates any of the provisions of KRS 352.150 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(5) Any person who shall violate any of the provisions of KRS 352.170 or 352.180 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(6) Any person who violates any of the provisions of KRS 352.201 shall be fines not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(7) Any person who violates any of the provisions of KRS 352.210 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000). Any person who violates any regulations validly prescribed by the department pursuant to KRS 352.220, subsection (3) (b) shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(8) Any operator, manager, superintendent, mine foreman, fire boss or equipment operator who violates any of the provisions of KRS 352.230 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(9) Any person who violates any of the provisions of KRS 352.241 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(10) Any person who violates any of the provisions of KRS 352.251 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(11) Any person who violates any of the provisions of KRS 352.260 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(12) Any person who violates any of the provisions of KRS 352.270 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(13) Any person who violates any of the provisions of KRS 352.320 to 352.380 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(14) Any person who violates any of the provisions of KRS 352.280 to 352.310 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(15) Any person who violates any of the provisions of KRS 352.371 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(16) Any operator, manager, superintendent, mine foreman or employe who violates any of the provisions contained in any mine rules after they have been approved as provided by KRS 352.400 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(17) Any operator, manager, superintendent or mine foreman who violates any of the provisions of KRS 352.410 or 352.420 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(18) Any mine inspector, operator, manager or superintendent who violates any of the provisions of KRS 352.430 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(19) Any operator, manager, superintendent or engineer who violates any of the provisions of KRS 352.450 to 352.480 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(20) Any owner, tenant, company, corporation, manager, engineer mine foreman or employe who violates any of the provisions of KRS 352.490 or 352.500 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(21) Any person who violates any of the provisions of KRS 352.510 fixing the distance from wells within which mining operations may be conducted without the approval of the department, and any person who violates any of the terms of an order of the department allowing mining operations within a lesser distance of any well than that prescribed by law shall be fined not more than one thousand dollars ($1,000) or imprisoned for not more than twelve months, or both.

(22) Any inspector of mine weights, operator, superintendent, agent, company weighman or check weighman who violates any of the provisions of KRS 352.520 or 352.530 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(23) Any person, company or corporation that violates any of the provisions of KRS 352.540 or 352.550 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation.

(24) Any operator, manager, superintendent, mine foreman, assistant mine foreman, or whosoever shall be in charge of the person or persons violating any of the above provisions, may be fined in conjunction with the person or persons, an equal amount, and their certificate may be revoked, if it is shown that the violation occurred with their knowledge.

(25) An operator found to be in violation of KRS 352.260 shall be subject to the issuance of a closure order for a period of time from two (2) to five (5) days depending upon the seriousness of the situation. In the event an operator is found in violation of KRS 352.260 as a first offense a closure order shall be issued by the department. All workmen shall be withdrawn from the mine and the mine shall be closed for a period of forty-eight (48) hours thereafter. Subsequent violations of KRS 352.260 shall result in a closure order being issued by the department. All men shall be removed from the mine and the mine shall be closed for five (5) calendar days thereafter or the permit to shoot coal from the solid shall be cancelled by order of the commissioner.

Section 8. KRS 351.104, Certification of miners employed prior to date of training program establishment, is repealed.

SB 397, AN ACT relating to coal.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 351 IS CREATED TO READ AS FOLLOWS:

The commissioner shall have the following authority to appoint a special task force to investigate illegal mining relative to violations of KRS Chapters 351 and 352:

(1) A sufficient number of mine inspectors and support personnel shall be assigned for the purpose of this section. Such inspectors shall be responsible for enforcement of the provisions of KRS Chapters 351 and 352 relating to criminal offenses.

(2) To assist with the enforcement of the duties of this section, the department shall contract with the Kentucky state police for services of a sufficient number of police officers who possess adequate training and who shall be empowered to arrest any person either violating or in violation of the provisions of KRS Chapters 351 or 352 that constitute criminal offenses.

(3) In addition to penalties prescribed in KRS 351.990, authorized representatives of the special task force for illegal mining established by this section shall be empowered with the authority to seize and take possession of any equipment being used for the purpose of illegal mining of coal without a valid mine license as required by KRS 351.175.

(4) Upon conviction of any person for violation of mining of coal without a valid mine license as required by KRS 351.175, the court shall order any equipment used in the crime forfeited and sold by sealed bids. Proceeds from such sale shall be deposited in the illegal mining fund as established in subsection (9) of this section.

(5) All property seized under this section shall be subject to the right of any owner or lienor, whose lien is valid and recorded, to intervene and, upon trial or special hearing held for that purpose before the court, establish his rights in the property by proving that the property was being used in connection with mining without a permit without the knowledge, consent or approval of the owner or lienor. If the owner of the property does so prove, the court may order the property restored to him. If the lienor so proves, the court may order a sale of the property by sealed bid with the lienor receiving from such sale the amount of his outstanding lien. However, the department shall deliver any seized property to a lienor whose claim has been established by order of a court of competent jurisdiction upon payment to the department of the difference between the fair market value of the property so seized and the recorded claim of the lienor.

(6) If the defendant is acquitted, all property seized in connection with the arrest of the defendant shall be ordered returned to the rightful owner unless previously returned under subsection (5) of this section.

(7) All expenses associated with the seizure, storing, and if applicable, sale of such property shall be the responsibility of the defendant if he is convicted.

(8) It shall be the duty of all peace officers and other public officers or officials having knowledge of the lawful owner or claimant of property subject to forfeiture to report the same to the court before the act of forfeiture occurs.

(9) There is established a special fund to be known as the "illegal mining fund" which shall be under the control of the department.

(10) The fund shall consist of all monies from the court ordered sale or forfeiture of said equipment.

(11) Monies contained in the illegal mining fund shall be deemed a trust and agency account and shall be used solely for the purpose of enforcement of KRS Chapters 351 and 352 by the department.

(12) The department shall have access to and control of the monies held in the illegal mining fund, but shall expend such monies only for the purpose set forth in subsection (11) of this section.

Motions, Petitions and Communications (continued)

Representative Petty moved that the vote on **HB 821** be reconsidered and that it be placed in Orders of the Day for March 25, 1982.

On the roll call the vote was yeas 44-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Burch, Clapp, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Guenthner, Hancock, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Mann, McBee, Meyer, Moberly, Nett, Noe, Patrick, Perkins, Petty, Rapier, Riner, F. Smith, Stumbo, Thomas, Van Horn, White, Williams. Nays 17-Caldwell, Ford, Freibert, Fryman, Harper, Heleringer, Lefevers, Lile, McNutt, Moore, Morris, O'Brien, Schmidt, B. Smith, Tobin, Todd, Turner.

The motion that the vote on **HB 821** be reconsidered and that it be placed in Orders of the Day for March 25, 1982 was adopted.

Representative Kidd moved that she be recorded as voting "nay" on **HB 682.** Agreed.

Representative Cline moved the adoption of the following Legislative Citation No. 68. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Mr. Samuel M. Wright on being selected Outstanding Citizen for 1982 by the Tollesboro Lions Club. This well-deserved honor recognizes your dedication to Lions International exemplified by twenty-eight years of wholehearted devotion to the Tollesboro Club. Since becoming a charter member of Tollesboro Lions, you have graciously accepted every responsibility assigned to you by your organization. Your community spirit has been further evidenced by your service as a volunteer fireman. The title "Outstanding Citizen" also acknowledges your spiritual contribution to your community as an elder board member and Sunday School teacher at Tollesboro Christian Church and as an active supporter of Christian service camp. This auspicious body joins your community in saluting you as an outstanding citizen of the Commonwealth. (Sponsored by Representative Cline)

Representative Johnson moved the adoption of the following **HR 103:**

HR 103, A RESOLUTION honoring the Kentucky Wesleyan College Men's Basketball Team for placing third in the 1982 NCAA Division II Tournament.

WHEREAS, the Kentucky Wesleyan College Men's Basketball Team defeated California State at Bakersfield on Saturday, March 20, 1982, to finish third in the NCAA Division II Basketball Tournament; and

WHEREAS, Kentucky Wesleyan completed the season with a winning record of 27-5, the most wins posted by any team in Division II; and

WHEREAS, this talented group of young men reached the Final Four by becoming champions of the Great Lakes Region; and

WHEREAS, Coach Mike Pollio, in his second year as head coach has turned the program's fortunes around and was selected as 1981-82 Coach of the Year in the Great Lakes Valley Conference; and

WHEREAS, the members of this team, the coaches, and the assistants have continued the great basketball tradition at Kentucky Wesleyan College by working hard, competing fairly and representing their school, state, and conference to the best of their ability;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House shall honor the tremendous endeavors and achievements of the Kentucky Wesleyan College Men's Basketball Team and the groups and individuals who support and promote the program.

Section 2. That the House commends the members of the Kentucky Wesleyan College Men's Basketball Team for reflecting athletic excellence and sportsmanlike behavior as they participate in their chosen sport.

Section 3. That the House Clerk shall send a copy of this resolution to the Kentucky Wesleyan College president, basketball coaches and team members.

HR 103 was adopted by voice vote.

Representative Mann moved the adoption of the following **HR 104:**

HR 104, A RESOLUTION urging the Commandant of the United States Marine Corps to approve the request of Covington, Kentucky Board of Education for a Marine R.O.T.C. program at the Holmes High School.

WHEREAS, the Covington Board of Education has requested a Marine R.O.T.C. program for Holmes High School; and

WHEREAS, such a program would provide the young people of Covington with valuable options to their learning experience; and

WHEREAS, such a program would enhance the educational goals of leadership, citizenship and physical fitness;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Commandant of the United States Marine Corps is hereby urged and requested to approve the application of the Covington, Kentucky, Board of Education for a Marine R.O.T.C. program at the Holmes High School.

Section 2. The Clerk of the House of Representatives shall send a copy of this resolution to the Commandant of the U.S. Marine Corps.

HR 104 was adopted by voice vote.

Representative Blevins moved that Floor Amendment No. 1 to **HB 515** be withdrawn. Agreed.

Representative B. Smith moved that he be recorded as voting "yea" on **HB 475.** Agreed.

Representative B. Smith moved that he be recorded as voting "yea" on **HB 295.** Agreed.

Representative Thomas moved the adoption of the following Legislative Citation No. 69:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Leonora and Amos Whitlock, Bradfordsville, Kentucky, on this illustrious occasion, your Golden Anniversary, April 28, 1982. God in His infinite wisdom blessed our universe with "you" the finest and most beautiful lives to be loved and cherished perpetually. Your years have been fruitful years of love sharing both joys and sorrows, and God inspiring that make this day a grand and glorious occasion. God blessed you with his priceless gift of love—your two lovely, devoted and beautiful daughters. You have willingly and unselfishly given of your time and talents, your services to God and all mankind. May your love continue to blossom into a life of beauty and your home a castle of joy and delight. May God continue to bless you and family with tender ties of love and happiness. May you begin together another blissful year with beautiful memories ever to behold. May love abide in your hearts forevermore. This body extends to you and family our very best wishes for lasting love, health and happiness. (Sponsored by Representative Thomas)

Agreed.

Representative Mann moved the adoption of the following Legislative Citation No. 70:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Covington Board of Education and Holmes High School for your foresight and desire to expand the school curriculum by initiating and implementing a Marine ROTC program. Your request to the Commandant of the Marine Corps for approval is very inspiring. Training our youth to become responsible and informed American citizens, developing physical fitness, promoting an understanding of the basic elements of the national security, developing respect and understanding for constituted authority in a democratic society and building an awareness of leadership qualities are admirable goals of the ROTC. We congratulate you for courageous endeavors to give the youth of America the best opportunities available. We extend to you our very best wishes for success.

Agreed.

Representative Kenton moved the adoption of the following Legislative Citation No. 64:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the admirable induction of Kentucky's number one specie, "the Frog", into the ranks of breeders of the Commonwealth paralleling other distinguished notables. The lovable frog has been so nobly enshrined in the hearts of all Kentuckians. It is noteworthy to observe that the Bullitt County Fair will be known as the "Frog Jumping

Capital" of the Commonwealth of Kentucky, in legend, story, song and deed. The infinite sensitivity of sportsmanship, good humor and concern for all frogdom is recognized by this august body, second to none. Kentucky lauds the privilege of being the first in innovative pursuits, thus being the first to initiate and implement a suitable award in recognition of the frog jumping phenomena. It is admirable that an award will be presented known as "Frank's Grand Frog Award" which is a "jar of succulent lettuce" so admired by frogs of all persuasions. We salute Representative Frank Smith, the gentleman from Bullitt, who has the high distinction of being selected by his colleagues to present the prestigious award to the Championship winner. A similar award is to be presented to Representative Frank Smith by his legislative friends as a laudable memento of the 1982 legislative session. (Done at Frankfort this twenty-second day of March, nineteen hundred and eighty-two.)

Agreed.

A Discharge Petition was filed on **SB 93.**

Representative Hancock moved that he be recorded as voting "yea" on **HB 440;** "yea" on **HB 441;** "yea" on **HB 456;** "yea" on **SB 233;** "yea" on **SB 266;** "nay" on **HB 746.** Agreed.

The following meetings were announced.

State Government: Thursday, noon.

Transportation: Thursday, 1:00 p.m., Room 103.

Banking and Insurance: Thursday, 11:30 a.m., Room 103.

Committee on Rules: On adjournment, Room 316.

Appropriations and Revenue: Thursday, 10:00 a.m., Room 109.

Adjournment

Representative LeMaster moved that the House adjourn until 2:00 p.m., Thursday, March 25, 1982.

On the roll call the vote was yeas 48-Barrows, Bendl, Bennett, Boswell, Burch, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Gray, Head, Hines, Johnson, T. Jones, Kidd, Layman, LeMaster, Little, McBee, Moberly, Morris, Noe, Noland, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 17-Blevins, Burnette, Caldwell, P. Clark, Endicott, Ford, Fryman, Guenthner, Handy, Harper, Heleringer, Holbrook, Lefevers, Mann, Moore, Patrick, Schmidt.

The motion to adjourn was adopted.

THURSDAY, MARCH 25, 1982

FIFTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Invocation by the McLain Family Band, Berea, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Lefevers and Lundergan.

Representative Brinkley moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 24,1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

HB 206, HB 346, HB 532, HB 572, and **HCR 46** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Report of Committees

The Committee on Rules reported **HB 618, HB 771, HB 803, HB 222, HB 783, HB 515, HB 765, HB 811, HB 819, HR 81, HR 85, HR 86, HR 91, SB 97, SB 51, SB 138, SB 170, SB 193, SB 226, SB 284, SB 300, SB 316, SB 327, SB 339, SB 352, SJR 45,** and **SCR 50** have been posted for passage in Orders of the Day, March 26, 1982.

The Committee on Rules reported the following Bills have been recommitted:

Appropriations and Revenue: **HB 749, HB 794.**

Labor and Industry: **SB 38.**

Judiciary-Civil: **SB 136.**

Business Organizations and Professions: **SB 296.**

The Committee on Agriculture and Small Business reported **SB 313** and **SB 402,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 313, AN ACT relating to farm trucks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.655 is amended to read as follows:
As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:
(1) "Bureau" means bureau of vehicle regulation;
(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;
(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon

restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any truck or tractor-trailer combination having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;

(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane;

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the state of Kentucky;

(c) Motor carriers registered under KRS 186.050(4)(b) may, at the option of the owner, be exempted from the provisions of KRS 138.660 (2) and 138.665.

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter.

SECTION 2. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) Any motor carrier granted exemption as provided in KRS 138.655(5)(c) shall be required to file an affidavit and agreement with the bureau of vehicle regulation.

(2) The affidavit and agreement shall include but not be limited to the following:

(a) Owner of the motor carrier;

(b) Description of the motor carrier;

(c) Weight registration of the motor carrier; and

(d) Cargo being transported is in compliance with the provisions of KRS 186.050(4)(b).

(3) The bureau of vehicle regulation shall provide the county clerk with necessary forms for application for the affidavit and agreement. Any person qualified to apply for the agreement shall obtain the form from the county clerk and shall remit two hundred fifty dollars ($250) upon completion of the application. Annually thereafter, payment of the two hundred fifty dollars ($250) shall renew the affidavit and agreement, except for any changes in information which might be required by subsection (2);

(4) The operator of the motor carrier shall be required to carry a copy of the affidavit and agreement at all time while operating the motor carrier;

(5) Any violation of the affidavit and agreement shall be subject to a penalty of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000).

SB 402, AN ACT relating to livestock.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 257 IS CREATED TO READ AS FOLLOWS:

The department of agriculture shall promulgate regulations governing the feeding of untreated garbage to swine in order to prevent the transmission of viral, bacterial or parasitical diseases to man or animals. A permit may be required of any individual feeding garbage to swine. The department may charge a reasonable fee for the issuance of a permit. The department may conduct such inspections as are required to enforce this section.

Section 2. Whereas, preventing viral, bacterial or parasitical diseases from being transmitted to people or animals from swine which has been fed untreated garbage is a goal which the Commonwealth must quickly seek to achieve, an emergency is declared and this Act shall become effective immediately upon passage and signing by the Governor.

Committee Amendment No. 1 to **SB 402** is as follows:

Amend printed copy of **SB 402,** page 1, line 8, by deleting the word "*reasonable*" and substituting therefor the word "*maximum*";

and on page 1, line 8, by inserting after the word "*fee*" the following: "*of ten dollars ($10)*"

The Committee on Banking and Insurance reported **SB 231** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 231, AN ACT relating to securities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 292.310 is amended to read as follows:

When used in this chapter, unless the context otherwise requires:

(1) "Director" means the director of the division of securities of the department of banking and securities;

(2) "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities, but "agent" does not include an individual who represents an issuer in:

(a) Effecting a transaction in a security exempted by subsections (1), (2), (3), (10), or (11) of KRS 292.400, or subsections (5), (9) or (12) thereof if no commission or other remuneration is received for the sale of such securities,

(b) Effecting transactions exempted by KRS 292.410 unless otherwise required, or

(c) Effecting transactions with existing employes, partners or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state. A partner, officer, or director of a broker-dealer or issuer, or a person occupying a similar status or performing similar functions, is an agent only if he otherwise comes within this definition;

(3) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account. "Broker-dealer" does not include:

(a) An agent, issuer, bank, savings institution, or trust company,

(b) A person who has no place of business in this state if he effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or

(c) A person who has no place of business in this state if during any period of twelve consecutive months he does not direct more than fifteen offers to sell or to buy into this state in any manner to persons other than those specified in paragraph (b);

(4) "Certified" means, when used in regard to financial statements, examined and reported upon in accordance with generally accepted auditing standards with an opinion expressed by *a* [~~an independent public or~~] certified public accountant;

(5) "Fraud," "deceit," and "defraud" are not limited to common-law deceit;

(6) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends;

(7) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular

business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include:

(a) A bank, savings institution, or trust company;

(b) A lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of his profession;

(c) A broker-dealer whose performance of these services is solely incidental to the conduct of his business as a broker-dealer and who receives no special compensation for them;

(d) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;

(e) A person whose advice, analyses, or reports relate only to securities exempted by KRS 292.400 (1);

(f) A person who has no place of business in this state if:

1. His only clients in this state are other investment advisers, broker-dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or

2. During any period of twelve consecutive months he does not direct business communications into this state in any manner to more than five clients other than those specified in subparagraph 1., or

(g) Such other persons not within the intent of this subsection as the director may by rule or order designate;

(8) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued*, and except that with respect to fractional undivided interests in oil, gas or other mineral rights, the term "issuer" means the owner of any such right or of an interest in such right (whether whole or fractional) who creates fractional interests therein for the purpose of distribution*;

(9) "Non-issuer" means not directly or indirectly for the benefit of the issuer;

(10) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government;

(11) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt to offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer, of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security;

(12) "Securities Act of 1933," "Securities Exchange Act of 1934," "Public Utility Holding Company Act of 1935," and "Investment Company Act of 1940" mean the federal statutes of those names as amended before or after January 1, 1961;

(13) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security; fractional undivided [~~working~~] interest in oil, [~~or~~] gas *or other mineral* rights; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest in or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not include any insurance or endowment policy or annuity contract or variable annuity contract issued by any insurance company;

(14) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico;

(15) Nothing in this section shall be construed to affect the classification of property for ad valorem tax purposes.

Section 2. KRS 292.330 is amended to read as follows:

(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent, unless he is registered under this chapter. It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. It is unlawful for any person to transact business in this state as an investment adviser unless:

(a) he is so registered under this chapter, or

(b) he is registered as a broker-dealer under this chapter, or

(c) his only clients in this state are investment companies as defined in the Investment Company Act of 1940 or insurance companies.

(2) A broker-dealer, agent, or investment adviser may apply for registration by filing with the director *or the director's designee* an application together with a consent to service of process pursuant to KRS 292.430 and payment of the fee prescribed in subsection (10). Registration of a broker-dealer automatically constitutes registration of any agent who is a partner, officer or director or a person occupying a similar status or performing similar functions (except any partner, officer or director or other such person whose registration as an agent is denied, suspended or revoked under subsection (12)) without the filing of applications for registration as agents or the payment of fees for registration as agents. The application shall contain whatever information the director requires concerning such matters as:

(a) The applicant's form and place of organization;

(b) The applicant's proposed method of doing business;

(c) The qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; and in the case of an investment adviser, the qualifications and business history of an employe;

(d) Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and

(e) The applicant's financial condition and history.

(3) If no denial order is in effect and no proceeding is pending under subsection (12), registration becomes effective at noon of the thirtieth day after an application is filed. The director may specify an earlier effective date and he may by order defer the effective date until noon of the thirtieth day after the filing of any amendment. *The director may by rule establish a procedure for transfer of an agent whereby registration may become effective prior to the filing of an application; but any registration so transferred shall not be effective for more than thirty (30) days, unless within that thirty (30) days a properly completed application is filed.*

(4) The director may require as a condition of registration that the applicant (and, in the case of a corporation or partnership, the officers, directors or partners) pass a written examination as evidence of knowledge of the securities business.

(5) The director may by rule require the existence and maintenance of a minimum liquid net capital for registered broker-dealers and investment advisers and a minimum ratio between net capital and aggregate indebtedness, or both.

(6) The director may by rule require registered broker-dealers, agents and investment advisers to post surety bonds in an amount up to $25,000, and may determine their conditions, except under this subsection that no such bond may be required of any registrant whose net capital exceeds $100,000. An appropriate deposit of cash or securities shall be accepted in lieu of any required surety bond. Every surety bond shall provide for suit thereon by any person who has a cause of action under KRS 292.480, and every such bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within two (2) years after the sale or other act upon which it is based.

(7) The director may by rule require registered broker-dealers to carry fidelity bonds, covering its agents, general partners, and officers, in such form, covering such risks, and in such amounts (not exceeding $250,000) as he deems necessary for the protection of the public; and he may by rule require registered broker-dealers to furnish satisfactory evidence that they have such bonds.

(8) Every registration of a broker-dealer, agent or investment adviser shall be effective until *December 31* [~~March 1~~] of the [~~following~~] year *of registration unless the director by rule extends or lessens such registration* and may be renewed as hereinafter provided. *The director may by rule increase or reduce the registration fee set forth in subsection (10) of this section should such registration period be extended or lessened.* The registration of an agent is not effective during any period when he is not associated with an issuer or a registered broker-dealer specified in his application or a notice filed with the director *or the director's designee.* When an agent begins or terminates a connection with an issuer or registered broker-dealer, the agent and the issuer or broker-dealer shall promptly notify the director *or the director's designee.*

(9) Registration of a broker-dealer, agent or investment adviser may be renewed by filing with the director *or the director's designee* prior to the expiration thereof an application containing such information as the director may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, agent or investment adviser filed with the director *or the director's designee* by the applicant, payment of the prescribed fee and, in the case of a broker-dealer, a financial statement showing the financial condition of such broker-dealer as of a date within ninety (90) days. A registered broker-dealer or investment adviser may file an application for registration of a successor, whether or not the successor is then in existence, for the unexpired portion of the year without payment of any fee.

(10) The fee for initial or renewal registration shall be one hundred dollars ($100) for a broker-dealer, *one hundred* [~~fifty~~] dollars *($100)* [~~($50.00)~~] for an investment adviser, *fifty* [~~fifteen~~] dollars *($50)* [~~($15.00)~~] for an agent, and *fifty* [~~five~~] dollars *($50)* [~~($5.00)~~] for transfer of an agent, none of which fees shall be refundable.

(11) (a) Every registered broker-dealer and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books, and other records which the director by rule prescribes. All records required shall be preserved for three (3) years unless the director by rule prescribes otherwise for particular types of records. All required records shall be kept within this state or shall, at the request of the director, be made available at any time for examination by him either in the principal office of the registrant or by production of exact copies thereof in this state.

(b) Every registered broker-dealer and investment adviser shall file such reports as the director by rule prescribes.

(c) If the information contained in any document filed with the director *or the director's designee* is or becomes inaccurate or incomplete in any material respect, the broker-dealer shall promptly file a correcting amendment.

(d) The director may make periodic examinations, within or without this state, of each broker-dealer and investment adviser at such times and in such scope as he determines. These examinations may be made without prior notice to the broker-dealer or investment adviser. The expense reasonably attributable to any such examination shall be paid by the broker-dealer or investment adviser whose business is examined but the expense so payable shall not exceed an amount which the director by rule prescribes. For the purpose of avoiding unnecessary duplication of examinations, the director, insofar as he deems it practicable in administering this subsection, may cooperate with securities administrators of other states, the securities and exchange commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934.

(e) The director may by rule prohibit unreasonable charges, profits, commissions or other compensation of broker-dealers and investment advisers.

(f) The director may prescribe rules for the conduct of business by broker-dealers and investment advisers which he finds appropriate in the public interest and for the protection of investors.

(g) The director may enter into an arrangement, agreement, or other working relationship with federal, other state and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the National Association of Securities Dealers or other agencies or authorities. It is the intent of this paragraph that the director be provided power to reduce duplication of filings, reduce administrative costs and establish uniform procedures, forms, and administration with the states and federal authorities. The director may permit initial and renewal registration filings required under this chapter to be filed with the securities and exchange commission, the National Association of Securities Dealers or other similar authorities. The director may accept uniform securities examinations or other procedures designed to implement a uniform national securities regulatory system or facilitate common practices and procedures among the states.

(12) (a) The director may by order deny, suspend or revoke registration of any broker-dealer, agent or investment adviser if he finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

1. Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

2. Has wilfully violated or wilfully failed to comply with any provision of this chapter or a predecessor law or any rule or order under this chapter or a predecessor law;

3. Has been convicted, within the past ten (10) years, of any misdemeanor involving a security or any aspect of the securities business, or any felony, *or has pending against him any such criminal charge*;

4. Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

5. Is the subject of an order of the director denying, suspending, or revoking registration as a broker-dealer, agent, or investment adviser;

6. Is the subject of an order entered within the past five (5) years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration as a broker-dealer or agent, or the substantial equivalent of those terms as defined in this chapter, or is the subject of an order of the securities and exchange commission suspending or expelling him from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934, or is the subject of a United States post-office fraud order; but a. the director may not institute a revocation or suspension proceeding under this paragraph more than one (1) year from the date of the order relied on, and b.

he may not enter any order under this paragraph on the basis of an order unless that order was based on facts which would currently constitute a ground for an order under this section;

7. Has engaged in dishonest or unethical practices in the securities business;

8. Is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the director may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser; or

9. Is not qualified on the basis of such factors as training, experience, or knowledge of the securities business, except as provided in paragraph (b) below; or the director may by order, deny, suspend or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant:

a. Has failed reasonably to supervise his agents if he is a broker-dealer or his employes if he is an investment adviser; or

b. Has failed to pay the proper filing fee; but the director may enter only a denial order under this clause, and he shall vacate any such order when the deficiency has been corrected. The director may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective unless the proceeding is instituted within the next thirty (30) days.

(b) The following provisions govern the application of subparagraph 9 of paragraph (a) of this subsection:

1. The director may not enter an order against a broker-dealer on the basis of the lack of qualification of any person other than the broker-dealer himself if he is an individual or an agent of the broker-dealer;

2. The director may not enter an order against an investment adviser on the basis of the lack of qualification of any person other than the investment adviser himself if he is an individual or any other person who represents the investment adviser in doing any of the acts which make him an investment adviser;

3. The director may not enter an order solely on the basis of lack of experience if the applicant or registrant is qualified by training or knowledge or both;

4. The director shall consider that an agent who will work under the supervision of a registered broker-dealer need not have the same qualifications as a broker-dealer;

5. The director shall consider that an investment adviser is not necessarily qualified solely on the basis of experience as a broker-dealer or agent. When he finds that an applicant for initial or renewal registration as a broker-dealer is not qualified as an investment adviser, he may by order condition the applicant's registration as a broker-dealer upon his not transacting business in this state as an investment adviser;

6. The director may by rule provide for an examination, which may be written or oral or both, to be taken by any class of or all applicants, as well as persons who represent or will represent an investment adviser in doing any of the acts which make him an investment adviser.

(c) The director may by order summarily postpone or suspend registration pending final determination of any proceeding under this section. Upon the entry of the order, the director shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.

(d) If the director finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, or investment adviser, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the director may by order cancel the registration or application.

(e) Withdrawal from registration as a broker-dealer, agent, or investment adviser becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the director may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty (30) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the director by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the director may nevertheless institute a revocation or suspension proceeding under subparagraph 2. of paragraph (a) of this subsection within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

(f) No order may be entered under any part of this section except the first sentence of paragraph (c) of this subsection without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent), opportunity for hearing, and written findings of fact and conclusions of law.

Section 3. KRS 292.330, effective July 1, 1982, is amended to read as follows:

(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent, unless he is registered under this chapter. It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. It is unlawful for any person to transact business in this state as an investment adviser unless:

(a) he is so registered under this chapter, or

(b) he is registered as a broker-dealer under this chapter, or

(c) his only clients in this state are investment companies as defined in the Investment Company Act of 1940 or insurance companies.

(2) A broker-dealer, agent, or investment adviser may apply for registration by filing with the director *or the director's designee* an application together with a consent to service of process pursuant to KRS 292.430 and payment of the fee prescribed in subsection (10). Registration of a broker-dealer automatically constitutes registration of any agent who is a partner, officer or director or a person occupying a similar status or performing similar functions (except any partner, officer or director or other such person whose registration as an agent is denied, suspended or revoked under subsection (12)) without the filing of applications for registration as agents or the payment of fees for registration as agents. The application shall contain whatever information the director requires concerning such matters as:

(a) The applicant's form and place of organization;

(b) The applicant's proposed method of doing business;

(c) The qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; and in the case of an investment adviser, the qualifications and business history of an employe;

(d) Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and

(e) The applicant's financial condition and history.

(3) If no denial order is in effect and no proceeding is pending under subsection (12), registration becomes effective at noon of the thirtieth day after an application is filed. The director may specify an earlier effective date and he may by order defer the effective date until noon of the thirtieth day after the filing of any amendment. *The director may by rule establish a procedure for transfer of an agent, whereby registration may become effective prior to the filing of an application; but any registration so transferred shall not be effective for more than thirty (30) days unless within that thirty (30) days a properly completed application is filed.*

(4) The director may require as a condition of registration that the applicant (and, in the case of a corporation or partnership, the officers, directors or partners) pass a written examination as evidence of knowledge of the securities business.

(5) The director may by rule require the existence and maintenance of a minimum liquid net capital for registered broker-dealers and investment advisers and a minimum ratio between net capital and aggregate indebtedness, or both.

(6) The director may by rule require registered broker-dealers, agents and investment advisers to post surety bonds in an amount up to $25,000, and may determine their conditions, except under this subsection that no such bond may be required of any registrant whose net capital exceeds $100,000. An appropriate deposit of cash or securities shall be accepted in lieu of any required surety bond. Every surety bond shall provide for suit thereon by any person who has a cause of action under KRS 292.480, and every such bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within two (2) years after the sale or other act upon which it is based.

(7) The director may by rule require registered broker-dealers to carry fidelity bonds, covering its agents, general partners, and officers, in such form, covering such risks, and in such amounts (not exceeding $250,000) as he deems necessary for the protection of the public; and he may by rule require registered broker-dealers to furnish satisfactory evidence that they have such bonds.

(8) Every registration of a broker-dealer, agent or investment adviser shall be effective until *December 31* [~~March 1~~] of the [~~following~~] year *of registration unless the director by rule extends or lessens such registration* and may be renewed as hereinafter provided. *The director may by rule increase or reduce the registration fee set forth in subsection (10) of this section should such registration period be extended or lessened.* The registration of an agent is not effective during any period when he is not associated with an issuer or a registered broker-dealer specified in his application or a notice filed with the director. When an agent begins or terminates a connection with an issuer or registered broker-dealer, the agent and the issuer or broker-dealer shall promptly notify the director *or the director's designee.*

(9) Registration of a broker-dealer, agent or investment adviser may be renewed by filing with the director *or the director's designee* prior to the expiration thereof an application containing such information as the director may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, agent or investment adviser filed with

the director *or the director's designee* by the applicant, payment of the prescribed fee and, in the case of a broker-dealer, a financial statement showing the financial condition of such broker-dealer as of a date within ninety (90) days. A registered broker-dealer or investment adviser may file an application for registration of a successor, whether or not the successor is then in existence, for the unexpired portion of the year without payment of any fee.

(10) The fee for initial or renewal registration shall be one hundred dollars ($100) for a broker-dealer, *one hundred* [~~fifty~~] dollars *($100)* [~~($50.00)~~] for an investment adviser, *fifty* [~~fifteen~~] dollars *($50)* [~~($15.00)~~] for an agent, and *fifty* [~~five~~] dollars *($50)* [~~($5.00)~~] for transfer of an agent, none of which fees shall be refundable.

(11) (a) Every registered broker-dealer and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books, and other records which the director by rule prescribes. All records required shall be preserved for three (3) years unless the director by rule prescribes otherwise for particular types of records. All required records shall be kept within this state or shall, at the request of the director, be made available at any time for examination by him either in the principal office of the registrant or by production of exact copies thereof in this state.

(b) Every registered broker-dealer and investment adviser shall file such reports as the director by rule prescribes.

(c) If the information contained in any document filed with the director *or the director's designee* is or becomes inaccurate or incomplete in any material respect, the broker-dealer shall promptly file a correcting amendment.

(d) The director may make periodic examinations, within or without this state, of each broker-dealer and investment adviser at such times and in such scope as he determines. These examinations may be made without prior notice to the broker-dealer or investment adviser. The expense reasonably attributable to any such examination shall be paid by the broker-dealer or investment adviser whose business is examined but the expense so payable shall not exceed an amount which the director by rule prescribes. For the purpose of avoiding unnecessary duplication of examinations, the director, insofar as he deems it practicable in administering this subsection, may cooperate with securities administrators of other states, the securities and exchange commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934.

(e) The director may by rule prohibit unreasonable charges, profits, commissions or other compensation of broker-dealers and investment advisers.

(f) The director may prescribe rules for the conduct of business by broker-dealers and investment advisers which he finds appropriate in the public interest and for the protection of investors.

(g) The director may enter into an arrangement, agreement, or other working relationship with federal, other state and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the National Association of Securities Dealers or other agencies or authorities. It is the intent of this paragraph that the director be provided power to reduce duplication of filings, reduce administrative costs and establish uniform procedures, forms, and administration with the states and federal authorities. The director may permit initial and renewal registration filings required under this chapter to be filed with the securities and exchange commission, the National Association of Securities Dealers or other similar authorities. The director may accept uniform securities examinations or other procedures designed to implement a uniform national securities regulatory system or facilitate common practices and procedures among the states.

(12) (a) The director may by order deny, suspend or revoke registration of any broker-dealer, agent or investment adviser if he finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

1. Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

2. Has wilfully violated or wilfully failed to comply with any provision of this chapter or a predecessor law or any rule or order under this chapter or a predecessor law;

3. Has been convicted, within the past ten (10) years, of any misdemeanor involving a security or any aspect of the securities business, or any felony, *or has pending against him any such criminal charge*;

4. Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

5. Is the subject of an order of the director denying, suspending, or revoking registration as a broker-dealer, agent, or investment adviser;

6. Is the subject of an order entered within the past five (5) years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration as a broker-dealer or agent, or the substantial equivalent of those terms as defined in this chapter, or is the subject of an order of the securities and exchange commission suspending or expelling him from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934, or is the subject of a United States post-office fraud order; but a. the director may not institute a revocation or suspension proceeding under this paragraph more than one (1) year from the date of the order relied on, and b. he may not enter any order under this paragraph on the basis of an order unless that order was based on facts which would currently constitute a ground for an order under this section;

7. Has engaged in dishonest or unethical practices in the securities business;

8. Is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the director may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser; or

9. Is not qualified on the basis of such factors as training, experience, or knowledge of the securities business, except as provided in paragraph (b) below; or the director may by order, deny, suspend or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant:

a. Has failed reasonably to supervise his agents if he is a broker-dealer or his employes if he is an investment adviser; or

b. Has failed to pay the proper filing fee; but the director may enter only a denial order under this clause, and he shall vacate any such order when the deficiency has been corrected.

The director may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective unless the proceeding is instituted within the next thirty (30) days.

(b) The following provisions govern the application of subparagraph 9 of paragraph (a) of this subsection:

1. The director may not enter an order against a broker-dealer on the basis of the lack of qualification of any person other than the broker-dealer himself if he is an individual or an agent of the broker-dealer;

2. The director may not enter an order against an investment adviser on the basis of the lack of qualification of any person other than the investment adviser himself if he is an individual or any other person who represents the investment adviser in doing any of the acts which make him an investment adviser;

3. The director may not enter an order solely on the basis of lack of experience if the applicant or registrant is qualified by training or knowledge or both;

4. The director shall consider that an agent who will work under the supervision of a registered broker-dealer need not have the same qualifications as a broker-dealer;

5. The director shall consider that an investment adviser is not necessarily qualified solely on the basis of experience as a broker-dealer or agent. When he finds that an applicant for initial or renewal registration as a broker-dealer is not qualified as an investment adviser, he may by order condition the applicant's registration as a broker-dealer upon his not transacting business in this state as an investment adviser;

6. The director may by rule provide for an examination, which may be written or oral or both, to be taken by any class of or all applicants, as well as persons who represent or will represent an investment adviser in doing any of the acts which make him an investment adviser.

(c) The director may by order summarily postpone or suspend registration pending final determination of any proceeding under this section. Upon the entry of the order, the director shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.

(d) If the director finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, or investment adviser, or is subject to an adjudication of mental disability or to the control of a conservator, or guardian, or cannot be located after reasonable search, the director may by order cancel the registration or application.

(e) Withdrawal from registration as a broker-dealer, agent, or investment adviser becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the director may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty (30) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the director by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the director may nevertheless institute a revocation or suspension proceeding under subparagraph 2. of paragraph (a) of this subsection within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

(f) No order may be entered under any part of this section except the first sentence of paragraph (c) of this subsection without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent), opportunity for hearing, and written findings of fact and conclusions of law.

Section 4. KRS 292.350 is amended to read as follows:

(1) The following securities may be registered by notification, whether or not they are also eligible for registration by coordination under KRS 292.360:

(a) Any security whose issuer and any predecessors have been in continuous operation for at least five (5) years if:

1. There has been no default during the current fiscal year or within the three (3) preceding fiscal years in the payment of principal, interest, or dividends on any security of the issuer (or any predecessor) with a fixed maturity or a fixed interest or dividend provision; and

2. The issuer and any predecessors during the past three (3) fiscal years have had average net earnings, determined in accordance with generally accepted accounting practices, which are applicable to all securities without a fixed maturity or a fixed interest or dividend provision and which equal at least five per cent (5%) of the amount of securities without a fixed maturity or a fixed interest or dividend provision outstanding at the date the registration statement is filed (as measured by the maximum offering price or the market price on a day selected by the registrant within thirty (30) days before the date of filing the registration statement, whichever is higher, or if there is neither a readily determinable market price nor an offering price, book value on a day selected by the registrant within ninety (90) days of the date of filing the registration statement), or if the issuer and any predecessors have not had any securities without a fixed maturity or a fixed interest or dividend provision outstanding for three (3) full fiscal years, equal at least five per cent (5%) of the amount (as measured by the maximum public offering price) of such securities which will be outstanding if all the securities being offered or proposed to be offered (whether or not they are proposed to be registered or offered in this state) are issued;

(b) Any security registered for nonissuer distribution if any security of the same class has ever been registered under this chapter or a predecessor law, or the security being registered was originally issued pursuant to an exemption under this chapter or a predecessor law or, if previously publicly offered and sold, was not offered and sold within this state.

(2) A registration statement under this section shall contain the following information and be accompanied by the following documents, in addition to payment of the registration fee prescribed in KRS 292.380 and, if required under KRS 292.430, a consent to service of process meeting the requirements of that section:

(a) A statement demonstrating eligibility for registration by notification;

(b) With respect to the issuer: its name, address, and form of organization; the state (or foreign jurisdiction) and the date of its organization; and the general character and location of its business;

(c) With respect to any person on whose behalf any part of the offering is to be made, if such person is an officer, director, partner or any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the issuer, his name and address; the amount of securities held by him as of the date of the filing of the registration statement; and a statement of his reasons for making the offering;

(d) A description of the securities being registered;

(e) Total amount of securities to be offered and amount of securities to be offered in this state;

(f) The price at which the securities are to be offered for sale to the public, if other than at the market price thereof; any known variation therefrom at which any portion of the offering is to be made to any persons, other than as underwriting and selling discounts or commissions; and the estimated maximum aggregate underwriting and selling discounts or commissions and finders' fees (including cash, securities, or anything else of value, if any);

(g) Names and addresses of the managing underwriters, if any, and a description of the plan of distribution, if any, of any securities which are to be offered otherwise than through an underwriter;

(h) Description of any security options outstanding or to be created in connection with the offering;

(i) Any adverse order, judgment or decree previously entered in connection with the securities being registered by any court or securities and exchange commission;

(j) A copy of any offering circular or prospectus, if any, intended, or ordered by the director, to be used in connection with the offering;

(k) In the case of any registration under paragraph (b) of subsection (1) which does not also satisfy the conditions of paragraph (a) of subsection (1), a certified balance sheet of the issuer as of its last fiscal year ended and a balance sheet of the issuer as of a date within four (4) months prior to the filing of the registration statement and a statement of income for each of the two (2) fiscal years preceding the date of the certified balance sheet, the last of which is to be certified, and for any period between the close of the last fiscal year and the date of the last balance sheet or for the period of the issuer's and any predecessor's existence if less than two (2) years; and

(l) Such additional information as the director may by rule or order require.

(3) If no stop order is in effect and no proceeding is pending under KRS 292.390, a registration statement under this section automatically becomes effective at three o'clock eastern standard time in the afternoon (3:00 p.m.) of the *fifth* [~~second~~] full business day after the filing of the registration statement or the last amendment, or at such earlier time as the director determines.

Section 5. KRS 292.380 is amended to read as follows:

(1) Except as otherwise expressly provided in this chapter a registration statement under this chapter becomes effective when the director so orders. The director may require as a condition of registration under this chapter that a prospectus containing any designated part of the appropriate information specified in this chapter be sent or given to each person to whom an offer is made before or concurrently with:

(a) The first written offer made to him (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him as a participant in the distribution,

(b) The confirmation of any sale made by or for the account of any such person,

(c) Payment pursuant to any such sale, or

(d) Delivery of the security pursuant to any such sale, whichever first occurs; but the director shall accept for use under any such requirement a current prospectus or offering circular regarding the same securities filed under the Securities Act of 1933 or regulations thereunder.

(2) A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered broker-dealer. Any document filed under this chapter or a predecessor law within five years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the document is currently accurate. The director may by rule or otherwise permit the omission of any item of information or document from any registration statement.

(3) The director may require as a condition of registration by qualification or coordination that:

(a) The proceeds from the sale of the registered security be impounded until the issuer receives a specified amount or

(b) Any security issued within the past three years, or to be issued, to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be delivered in escrow. The director may by rule or order determine the conditions of any escrow or impounding required hereunder. The director shall not reject a depository solely because of location in another state. All securities delivered in escrow to the director or some other depository satisfactory to him prior to January 1, 1968 which have not previously been released shall be released from escrow and all securities delivered in escrow to the director or some other depository satisfactory to him subsequent to January 1, 1968 which have not previously been released shall be released from escrow no later than ten (10) years after the date of delivery into escrow.

(4) The director may also require as a condition of registration by qualification that the issuer undertake to keep the securities registered under this chapter for a period of up to five years or until the securities become exempt securities under KRS 292.410, and that the issuer forward to its security holders audited annual financials during the period for which the shares are registered. The director may by rule or order impose other undertakings.

(5) For the registration of securities by notification or coordination, or qualification, there shall be paid to the director an examination fee of one hundred dollars and a registration fee of one-twentieth of one percent of the aggregate offering price of the securities which are to be offered in this state, but the registration fee shall in no case be less than fifty dollars nor more than one thousand dollars. The examination fee and the registration fee shall be payable in separate checks. When a registration statement is withdrawn before the effective date or a pre-effective stop order is entered under KRS 292.390, the director shall retain the examination fee. For the registration of securities issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust, as those terms are defined in the Investment Company Act of 1940, a new registration fee and examination fee shall be paid each year that the registration remains in effect, based upon the aggregate offering price of such securities which are to be offered in this state during that year, even though the maximum fee was paid the preceding year; and the registration statement for such securities may be amended to increase the amount of securities to be offered. For a registration by notification for market-making purposes only the examination fee need be paid.

(6) When securities are registered by notification or by coordination or by qualification, they may be offered and sold by the issuer, any other person on whose behalf they are registered or by any registered broker-dealer. Every registration statement is effective for one year from its effective date, or any longer

period during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by any underwriter or broker-dealer who is still offering part of an unsold allotment or subscription taken by him as a participant in the distribution, except during the time a stop order is in effect under KRS 292.390. All outstanding securities of the same class as a registered security are considered to be registered for the purpose of any nonissuer transaction (1) so long as the registration statement is effective and (2) between the thirtieth day after the entry of any stop order suspending or revoking the effectiveness of the registration statement under KRS 292.390 (if the registration statement did not relate in whole or in part to a nonissuer distribution) and one year from its effective date if any securities of the same class are outstanding. A registration statement may be withdrawn otherwise only in the discretion of the director.

(7) The director may require the person who filed the registration statement to file reports, not more often than quarterly, to keep reasonably current the information contained in the registration statement and to disclose the progress of the offering. The director shall impose a fee of *ten* [~~five~~] dollars *($10)* for each such report filed with him.

Section 6. KRS 292.400 is amended to read as follows:

KRS 292.340 to 292.390 shall not apply to any of the following:

(1) Any security (including a revenue obligation) issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing; or any certificate of deposit for any of the foregoing;

(2) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor;

(3) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institutions, or trust company organized and supervised under the laws of any state;

(4) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state;

(5) Securities issued by corporations formed under KRS Chapter 279;

(6) Any security

(a) Issued or guaranteed by any federal credit union or any credit union*; or*

(b) Any security issued by any industrial loan association or consumer loan company[~~, industrial loan association, or similar association~~] organized and supervised under the laws of this state *if either*

1. Such issuer has a capital account of at least one million dollars ($1,000,000); or

2. The issuer first files a notice with the director along with a copy of the prospectus or offering circular intended for distribution to prospective investors, which shall contain such information as the director by rule requires, and the director does not by order disallow the exemption within the next ten (10) full business days. "Capital account" means, for the most recent fiscal year, the sum of the par or stated value of all classes of capital stock, the consolidated surplus, whether capital or earned, and any indebtedness which by its terms is subordinate to the exempt security;

(7) Any security issued or guaranteed by any railroad, other common carrier, public utility, or holding company which is:

(a) Subject to the jurisdiction of the Interstate Commerce Commission;

(b) A registered holding company under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act;

(c) Regulated in respect of its rates and charges by a governmental authority of the United States or any state or municipality; or

(d) Regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province;

(8) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, [~~or~~] the Midwest Stock Exchange, *the Pacific Stock Exchange* or any other stock exchange approved by the director; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing;

(9) Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or reformatory purposes, or as a chamber of commerce or trade or professional association;

(10) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidence an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal;

(11) Any investment contract issued in connection with an employe's stock purchase, savings, pension, profit-sharing, or similar benefit plan if the director is notified in writing thirty days before the inception of the plan or, with respect to plans which are in effect on January 1, 1961, within sixty days thereafter (or within thirty days before they are reopened if they are closed on January 1, 1961);

(12) Securities issued by corporations formed under or which have adopted the provisions of KRS 272.101 to 272.345 and patronage dividends or refunds be they in the form of stock, book equities, letters of credit or letters of advice issued by any agricultural cooperative association which are the result of distributable earnings or savings;

(13) Any class of securities added by the director, by rule and subject to such terms and conditions as the director prescribes, to the securities exempted by this section, if the director finds that enforcement of this chapter with respect to such securities is not necessary in the public interest and for the protection of investors by reason of the small amount involved or limited character of the public offering, but no issue of securities shall be exempted under this subsection where the aggregate amount at which such issue is offered to the public exceeds two hundred thousand dollars ($200,000);

(14) Any security which meets all of the following conditions:

(a) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of such agent in its prospectus;

(b) A class of the issuer's securities is required to be and is registered under section 12 of the securities exchange act of 1934, and has been so registered for the three (3) years immediately preceding the offering date;

(c) Neither the issuer nor a significant subsidiary has had a material default during the last seven (7) years (or the issuer's existence if less than seven (7) years) in the payment of:

1. Principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money; or

2. Rentals under leases with terms of three (3) years or more;

(d) The issuer has had consolidated net income (before extraordinary items and the cumulative effect of accounting changes) of at least one million dollars ($1,000,000) in four (4) of its last five (5) fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, such net income, but before deduction for income taxes and depreciation, of at least one and one-half (1 ½) times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. "Last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than fifteen (15) months from the commencement of the offering;

(e) If the offering is of stock or shares, other than preferred stock or shares, such securities have voting rights and such rights include:

1. The right to have at least as many votes per share; and

2. The right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law;

(f) If the offering is of stock or shares, other than preferred stock or shares, such securities are owned beneficially or of record, on any date within six (6) months prior to the commencement of the offering, by at least twelve hundred (1200) persons, and on such date there are at least seven hundred fifty thousand (750,000) such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least three million seven hundred fifty thousand dollars ($3,750,000). In connection with the determination of the number of persons who are beneficial owners of the stock or shares of an issuer, the issuer or broker-dealer may rely in good faith for the purposes of this section upon written information furnished by the record owners.

Section 7. KRS 292.410 is amended to read as follows:

(1) Except as [~~hereinafter in this section~~] expressly provided, KRS 292.330 to 292.390 shall not apply to any of the following transactions:

(a) Any isolated non-issuer transaction, whether effected through a broker-dealer or not;

(b) Any non-issuer distribution of an outstanding security by a registered broker-dealer, if the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the three (3) preceding fiscal years, or during the existence of the issuer and any predecessors if less than three (3) years, in the payment of principal, interest, or dividends on the security;

(c) Any non-issuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the director may by rule require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period;

(d) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(e) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel *first* mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit;

(f) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(g) Any transaction executed by a bona fide pledgee without any purpose of evading this chapter;

(h) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

(i) Any transaction pursuant to an offer directed by the offeror to not more than twenty-five (25) persons (other than those designated in paragraph (h)) in this state during any period of twelve (12) consecutive months, whether or not the offeror or any of the offerees is then present in this state, if

1. The seller reasonably believes that all the buyers are purchasing for investment, and

2. No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in paragraph (h)); but the director may by rule or order, as to any security or transaction, withdraw or further condition this exemption, or increase or decrease the number of offerees permitted, or waive the conditions in subparagraphs 1. and 2. of this paragraph with or without the substitution of a limitation on remuneration;

(j) Any offer or sale of a preorganization certificate or subscription, if

1. No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber,

2. The number of subscribers does not exceed twenty-five (25), and

3. No payment is made by any subscriber;

(k) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, non-transferable warrants, or transferable warrants exercisable within not more than ninety (90) days of their issuance, if

[~~1.~~] no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state[~~, or~~

~~2. The issuer first files a notice specifying the terms of the offer and the director does not by order disallow the exemption within the next five (5) full business days~~];

(l) Any offer (but not a sale) of a security for which registration statements have been filed under both this chapter and the Securities Act of 1933 if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act;

(m) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock;

(n) Any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation or sale of assets;

(o) Any transaction by a person who does not control, and is not controlled by or under common control with, the issuer if

1. The transaction is at a price reasonably related to the current market price,

2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act, and

3. Copies of such federal registration statements, reports, forms or exhibits as the director may by rule or order require are filed with the director;

(p) Any transaction by a person who may control, or may be controlled by or under common control with, the issuer if

1. The transaction is at a price reasonably related to the current market price,

2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act, and

3. Copies of such federal registration statements, forms, reports or exhibits as the director may by rule or order require are filed with the director, and

4. Such sales by any such person comply with such rules as the director may prescribe;

(q) Any transaction for which the director by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors.

(2) The director may by order deny or revoke the exemption specified in KRS 292.400*(6)*, (9), (11), (12) or (13) or in this section with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact

and conclusions of law, except that the director may by order summarily deny or revoke any of the specified exemptions pending final determination of any proceeding under this subsection. Upon entry of a summary order, the director shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within fifteen (15) days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order to extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated this chapter by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known of the order. In any proceeding under this chapter, the burden of proving an exemption from a definition is upon the person claiming it.

Section 8. KRS 292.415 is amended to read as follows:

(1) Before any security may be issued as an exempt security under subsections [~~(4), (5), (6),~~] (9), (12), (13) or (14) of KRS 292.400, or offered for sale or sold as an exempt transaction under KRS 292.410(1)(i)[~~, (j),~~] or (k), a claim of exemption must first be filed with the director and the director by order shall not have determined that the exemption is unavailable within the next *ten (10)* [~~five (5)~~] full business days. A claim of exemption filed under this section shall be in such form and contain such information as the director by rule or order requires and each offering shall be effective for a maximum of twelve (12) consecutive months unless the director by rule or order extends such period of time, not to exceed five (5) years.

(2) For every claim of exemption filed with the director there shall be paid to the director a filing fee of one hundred dollars ($100), except that for a claim of exemption filed under subsection (9) of KRS 292.400 the filing fee is one-tenth (1/10) of one percent (1%) of the maximum aggregate offering price at which the securities are to be offered in this state, but the fee shall in no case be less than one hundred dollars ($100) or more than five hundred dollars ($500). The director shall have authority to amend or rescind under this subsection such filing fees by rule or order if the director determines that such fee is excessive under the circumstances.

(3) Any person who fails to comply with this section shall be liable for a fee in the amount of five (5) times the initial filing fee and the director may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of an exemption, if he finds that the order is in the public interest and that any security has been or is about to be offered or sold in violation of this section. If the director finds it appropriate in the public interest or necessary for the protection of investors, the director may order any issuer in violation of this section to make an offer of rescission.

(4) Failure by any person to file a claim of exemption under this section shall not give rise to a private right of action under KRS 292.330(1), 292.340 or 292.480 which would not otherwise be available under the provisions of this chapter.

(5) Any person who fails to file a claim of exemption under this section, unless he does so intentionally, shall not be subject to KRS 292.991.

Section 9. KRS 292.420 is amended to read as follows:

(1) In any proceeding under this chapter, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

(2) The director may require any person, who is selling or offering for sale or who is about to sell or offer for sale or who has sold or offered for sale any security within this state, to file a statement of the claim of exemption, if any, upon which such person is relying, and if any time, in the opinion of the director, the information contained in such statement filed is misleading, incorrect, inadequate, or fails to establish the right of exemption, he may require such person, agent, or investment adviser to file such information as may in his opinion be necessary to establish the claimed exemption. The refusal to furnish information as required by order of the director pursuant to the provisions of this subsection, within a reasonable time to be fixed by the director, shall be proper ground for the entry of an order by the director suspending and/or cancelling the registration of the broker-dealer, agent or investment adviser.

(3) The director shall have authority at all times to consider and determine whether any proposed sale, transaction, issue or security is entitled to an exemption or an exception from the definition accorded by this chapter, provided, however, that the director in his discretion may decline to exercise such authority as to any proposed sale, transaction, issue, or security. Any interested party desiring the director to exercise such authority shall submit to the director a verified statement of all material facts relating to the proposed sale, transaction, issue or security, which verified statement shall be accompanied by a request for a ruling as to the particular exemption or exception from definition, together with a filing fee of *one hundred* [~~fifty~~] dollars *($100)* [~~($50) except for a request for a ruling or order pursuant to KRS 292.410(1)(i) which shall be accompanied by a filing fee of one hundred dollars ($100)~~]. After such notice to interested parties as the director shall deem proper and after a hearing, if any, the director may enter an order finding the proposed

sale, transaction, issue or security entitled or not entitled to the exemption or the exception from definition as claimed. An order so entered, unless an appeal be taken therefrom in the manner prescribed in this chapter, shall be binding upon the director, provided that the proposed sale, transaction, issue or security when consummated or issued conforms in every relevant and material particular with the facts as set forth in the verified statement as submitted.

Section 10. KRS 292.440 is amended to read as follows:

It is unlawful for any person to make or cause to be made, in any document filed with the director *or the director's designee* or in any proceeding under this chapter, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

Section 11. KRS 292.500 is amended to read as follows:

(1) The administration of the provisions of this chapter shall be under the Division of Securities in the Department of Banking.

(2) It is unlawful for the director or any of his officers or employes to use for personal benefit any information which is filed with or obtained by the director and which is not made public. No provision of this chapter authorizes the director or any of his officers or employes to disclose any such information except among themselves or when necessary or appropriate in a proceeding or investigation under this chapter. No provision of this chapter either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the director or any of his officers or employes.

(3) The director may from time to time make, amend, and rescind such rules, forms and orders as are necessary to carry out the provisions of this chapter, including rules and forms governing registration statements, applications, and reports and defining any terms, whether or not used in this chapter, insofar as the definitions are not inconsistent with the provisions of this chapter. For the purpose of rules and forms, the director may classify securities, persons, and matters within his jurisdiction, and prescribe different requirements for different classes.

(4) No rule, form, or order may be made, amended, or rescinded unless the director finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provision of this chapter. In prescribing rules and forms the director may cooperate with the securities administrators of the other states and the Securities and Exchange Commission with a view to effectuating the policy of this statute to achieve maximum uniformity in the form and content of registration statement, applications, and reports whenever practicable.

(5) The director may by rule or order prescribe the form and content of financial statements required under this chapter and the circumstances under which *consolidated* [~~consolidation~~] financial statements shall be certified by [~~independent, public or~~] certified public accountants. All financial statements shall be prepared in accordance with generally accepted accounting standards.

(6) All rules and forms of the director shall be published.

(7) No provision of this chapter imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form, or order of the director, notwithstanding that the rule, form or order may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

(8) A document is filed when it is received by the director *or when the director receives confirmation that a document has been filed pursuant to KRS 292.330.*

(9) Every hearing in an administrative proceeding shall be public unless the director in his discretion grants a request joined in by all the respondents that the hearing be conducted privately.

(10) The director shall keep a register of all applications for registration and registration statements which are or have ever been effective under this chapter and all denial, suspension, or revocation orders which have ever been entered under this chapter. The register shall be open for public inspection.

(11) The information contained in or filed with any registration statement, application, or report may be made available to the public under such rules as the director prescribes.

(12) Upon request and at such reasonable charges as he prescribes, the director shall furnish to any person photostatic or other copies (certified under his seal of office if requested) of any entry in the register or any document which is a matter of public record. In any proceeding or prosecution under this chapter, any copy so certified is prima facie evidence of the contents of the entry or document certified.

(13) The director in his discretion may honor requests from interested persons for interpretative opinions.

Section 12. KRS 292.610 is amended to read as follows:

An offeror is subject to the liabilities and penalties applicable to a seller, and an offeree is entitled to the remedies applicable to a purchaser, as set forth in KRS *292.480 and* 292.991.

Section 13. KRS 292.991 is amended to read as follows:

(1) Any person who willfully violates any provision of this chapter except KRS 292.440, [~~or who willfully violates any rule or order under this chapter,~~] or who willfully violates KRS 292.440 knowing the

statement made to be false or misleading in any material respect, shall *be guilty of a class D felony* [~~upon conviction be fined not more than ten thousand dollars or imprisoned not more than five years, or both; but no person may be imprisoned for the violation of any rule or order if he proves that he had no knowledge of the rule or order. No indictment or information may be returned under this chapter more than five years after the alleged violation~~].

(2) *Any person who wilfully violates any rule or order of the director, authorized under this chapter, shall be guilty of a class A misdemeanor; but no person may be imprisoned for violation of any rule or order of which that person did not have actual knowledge.*

(3) The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order hereunder to the attorney general or the proper *prosecuting authority* [~~commonwealth's attorney or United States District attorney~~], who may in his discretion, with or without such a reference, institute the appropriate criminal proceedings under this chapter.

(4)[~~(3)~~] Nothing in this chapter limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law.

Section 14. The following KRS sections are repealed:
292.510 Advisory committee.
292.520 Committee functions.

The Committee on Labor and Industry reported **SB 109, SB 184, SB 186,** and **HB 708** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 109, AN ACT relating to city or urban-county employe payroll deductions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

Any city or urban-county government which makes deductions from the pay of its employes for any cause other than taxes shall, upon the petition of a majority of the employes within a department or division, deduct such amount from the pay of an employe as he may note on a signed payroll notification card or voucher, for the purposes of employe benefits, insurance, community projects or union dues. No deduction shall be made pursuant to this section from the pay of any employe who does not sign a payroll notification card or voucher. Upon such deductions, the city or urban-county government shall, within thirty (30) days, pay to the elected representative or designated recipient for the employes of such department or division the total amount of the deductions minus the actual cost to the city or urban-county government of processing such deductions.

SB 184, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.577 is amended to read as follows:

(1) Upon retirement at early retirement date, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date, with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced to reflect the earlier commencement of benefits.

(2) Members of the county employes retirement system covered by this section who have completed *twenty (20)* [~~twenty-five (25)~~] years of service shall not have their allowance for early retirement reduced to reflect earlier commencement of benefits.

SB 186, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;

(2) "Board" means the board of trustees of the Kentucky retirement systems;

(3) "Employer" or "state police" means the bureau of state police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;

(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

(9) *(a)* "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(b) In the case of members of the county employes retirement system covered by this subsection, "final compensation" at any time means the creditable compensation of a member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such three (3) year period multiplied by twelve (12); such three (3) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;

(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system or a member of the county employes retirement system covered by this section with twenty-five (25) or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. Members of the Kentucky employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

HB 708, AN ACT relating to workers' compensation insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 3 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All writers of workers' compensation insurance in Kentucky shall provide to their insureds quarterly loss report detailing the following information:

(a) Name of claimant;

(b) Identification or social security number;

(c) Name of division and department;

(d) Date of injury;

(e) Amount reserved (medical, compensation);

(f) Amount paid to date (medical, compensation);

(g) Expenses (legal, other);

(h) Taxes paid;

(i) Cumulative loss information by division and department for the month, current year, and previous three (3) years; and

(j) Loss ratio.

(2) The quarterly loss report required by this section shall be received by the insured on or before the fifteenth day of the month following the end of the quarter.

(3) Any insurer who fails to comply with the requirements of this section without cause shown shall be fined one thousand dollars ($1000). The department of insurance and the department of labor shall hold a joint hearing, if any insurer violates the provisions of this section more than five (5) times, to determine whether such insurer may continue to do business in Kentucky. If it is determined that the insurer should not be allowed to continue to do business, the commissioner of the department of insurance shall revoke the certificate of authority of the insurer.

SECTION 2. A NEW SECTION OF SUBTITLE 3 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All commercial writers of workers' compensation insurance in Kentucky shall submit quarterly financial disclosurers of the amount of workers' compensation premiums. All writers of workers' compensation insurance in Kentucky shall disclose to their insureds not later than thirty (30) days prior to the date of renewal the actual total reserved dollars for medical and compensation and the interest earned on those reserves.

(2) All commercial writers of workers' compensation insurance in Kentucky shall provide annual financial disclosures of the percentage of the annual workers' compensation premiums written in Kentucky which are invested in Kentucky and the nature of the investments.

(3) The quarterly financial disclosures of premiums and the annual financial disclosures of premiums invested in Kentucky as required by this section shall be submitted to the department of insurance, department of labor, department of revenue and department of commerce.

(4) The department of insurance and the department of labor shall hold a joint hearing, if any insurer violates the provisions of subsection (1) of this section more than five (5) times, to determine whether such insurer may continue to do business in Kentucky. If it is determined that the insurer should not be allowed to continue to do business, the commissioner of the department of insurance shall revoke the certificate of authority of the insurer.

Committee Amendment No. 1 to **HB 708** is as follows:

Amend printed copy of **HB 708,** on page 2, line 3, by deleting "*department of*" on page 2, line 4, by deleting "*insurance and the*" and "*joint*"

on page 3, line 6, by deleting "*department of insurance and the*"

on page 3, line 7, by deleting "*joint*"

Calendar

SB 383, SB 364, SB 392, HR 90, SB 29, SB 149, SB 230, SB 289, SB 354, SB 366, SB 129, SB 248, SB 127, SB 223, SB 252, SB 308, SB 329, SB 372, SB 374, SB 268, SB 376, SB 94, SB 115, SB 116, SB 117, SB 148, SB 162, SB 173, SB 211, SB 228, SB 273, SB 302, HR 93, SB 282, SB 340, SB 345, SB 279, SB 218, SB 267, SB 380, SB 385, SB 396, and **SB 397** taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative LeMaster moved that the House recess for fifteen minutes for Committee Chairmen to meet. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 18, SJR 38, SB 39, SB 204, SB 207, SB 293,** and **SB 241** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time 2:50 p.m.)

Orders of the Day

HB 412, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved the adoption of the Floor Amendment No. 2 to **HB 412.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 3 to **HB 412.** Agreed.

Representative Little moved that **HB 412,** as amended, be passed.

Representative Meyer moved the adoption of the Floor Amendment No. 1 to **HB 412.**

Representative Little inquired whether Floor Amendment No. 1 was germane to **HB 412.**

The Speaker ruled Floor Amendment No. 1 was not germane to **HB 412.**

On the roll call the vote was yeas 62-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Freibert, Gray, Hancock, Handy, Heleringer, Holbrook, Kenton, Kidd, LeMaster, Lile, Little, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, Van Horn, Worthington, Yates. Nays 17-Allen, Clarke, Ellington, Ford, Fryman, Guenthner, Haering, Harper, Head, Layman, McNutt, Patrick, Pearman, Schmidt, Todd, Turner, White.

HB 412, as amended, was passed and the title agreed to.

Representative Little moved that the vote by which **HB 412,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 580, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Amendment No. 1 to **HB 580.** Agreed.

Representative Barrows moved that **HB 580,** as amended, be passed.

On the roll call the vote was yeas 67-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Ford, Gray, Guenthner, Heleringer, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lile, Little, Long, Maggard, McBee, Meyer, Moberly, Nett, Noe, Noland, Overstreet, Perkins, Petty, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Worthington, Yates. Nays 13-Burnette, Clarke, Craddock, Ellington, Foster, Fryman, Haering, Head, McNutt, Patrick, Pearman, Todd, Turner.

HB 580, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 580,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 235, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved that **SB 235** be passed.

On the roll call the vote was yeas 81-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 4-Allen, Fryman, Moore, Patrick.

SB 235 was passed and the title agreed to.

Representative Bendl moved that the vote by which **SB 235** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 269, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **SB 269** be passed.

On the roll call the vote was yeas 64-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Deskins, Donnermeyer, Dunn, Ford, Foster, Freibert, Guenthner, Handy, Harper, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Thomas, Thomason, Tobin, Van Horn, Williams, Yates. Nays 16-Allen, Brinkley, Brown, Burnette, Cline, Crupper, Cyrus, Endicott, Fryman, Gray, Haering, Heleringer, Morris, Pearman, Stone, Turner.

SB 269 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **SB 269** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 386 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 386** be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Ford, Foster, Freibert, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Holbrook, Holloway, Kenton, Kidd, Lile, List, Maggard, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Yates. Nays 2-Burnette, White.

SB 386 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 386** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 393 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 393** be passed.

On the roll call the vote was yeas 78-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Williams, Yates. Nays 6-Ellington, Ford, Fryman, Moore, Pearman, White.

SB 393 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 393** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 394 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 394** be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Layman, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Tobin, Todd, Van Horn, Yates. Nays 8-Burnette, Ellington, Ford, Fryman, Head, Moore, Pearman, White.

SB 394 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 394** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 206 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved that **SB 206** be passed.

On the roll call the vote was yeas 74-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Holbrook, Holloway, Johnson, Kenton, Kidd, LeMaster, Lile, List, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Yates. Nays 6-Allen, Ford, Fryman, Pearman, Turner, White.

SB 206 was passed and the title agreed to.

Representative Kidd moved that the vote by which **SB 206** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 821, as amended, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved that **HB 821**, as amended, be passed.

On the roll call the vote was yeas 56-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Hancock, Handy, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Long, Mann, McBee, Meyer, Noe, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, F. Smith, Stone, Thomas, Van Horn, White, Williams, Yates. Nays 30-Allen, Brinkley, Burnette, Caldwell, Ellington, Endicott, Ford, Freibert, Fryman, Harper, Heleringer, Holbrook, Holloway, Layman, Lile, List, Maggard, McNutt, Moore, Morris, Noland, O'Brien, Overstreet, Pearman, Schmidt, B. Smith, Thomason, Tobin, Todd, Turner.

HB 821, as amended, was passed and the title agreed to.

Representative Williams moved that the vote by which **HB 821**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 175, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 175** be passed.

Representative Barrows moved the adoption of the Floor Amendment No. 2 to **SB 175**. Rejected.

On the roll call the vote was yeas 66-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Freibert, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates. Nays 28-Allen, Barrows, Brown, Bruce, Burnette, Caldwell, Endicott, Farrow, Ford, Fryman, Hancock, Harper, Johnson, Layman, Lile, List, Meyer, Moore, Morris, Nett, Noe, Noland, Patrick, Robinson, Schmidt, Todd, Turner, White.

SB 175, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 175**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 291, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 291** be passed.

On the roll call the vote was yeas 65-Arnold, Bennett, Blandford, Blevins, Coswell, Bronger, Bruce, Burch, Burnette, Clark, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, LeMaster, Long, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Allen, Harper, Heleringer, Lile.

SB 291 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 291** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 622, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **HB 622** be passed.

Representative Guenthner moved the adoption of Floor Amendment No. 1 to **HB 622.**

Representative Maggard inquired whether Floor Amendment No. 1 was germane to **HB 622.**

The Speaker ruled Floor Amendment No. 1 was not germane to **HB 622.**

Representatives Guenthner and Van Horn appealed the ruling of the Chair.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 70-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Handy, Harper, Head, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Worthington, Yates. Nays 9-Allen, Cowan, Guenthner, Haering, Heleringer, Holbrook, Schmidt, Seum, Van Horn.

The ruling of the Chair was upheld.

The Speaker resumed the Chair.

Representative Richards moved that **HB 622** be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Handy, Head, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 14-Allen, Caldwell, Clarke, Ellington, Fryman, Guenthner, Haering, Hancock, Harper, T. Jones, Moore, patrick, Pearman, Robinson.

HB 622 was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 622** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the rules be suspended to waive the posting time requirement. Agreed.

Representative LeMaster moved that the posting time requirement be waived in regard to **SB 7.** Agreed.

Representative LeMaster moved that the rules be suspended to allow communications. Agreed.

The following meetings were announced.

State Government: On recess, Room 104.

Health and Welfare: On recess, Room 105.

Committee on Rules: On recess, Conference Room.

Board of Elections Contest: Representative List's desk, on recess.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 17, SJR 41, SB 107, SB 131, SB 150, SB 247, SB 283,** and **SB 315** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:56 p.m.)

Recess

Representative LeMaster moved that the House recess until 4:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day

HB 402, with Senate Amendment attached thereto, taken from orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Clarke moved that the House concur in the following Senate Amendment No. 1 to **HB 402:**

Amend printed copy of **HB 402** as follows: page 3, line 14, by deleting all of line 14 after the period and deleting lines 15 through 18.

Agreed.

Representative Clarke moved that **HB 402,** as amended by the Senate, be passed.

On the roll call the vote was yeas 42-Arnold, Bennett, Blandford, Blevins, Boswell, Brown, Bruce, Burch, Caldwell, Clarke, Cowan, Craddock, Cyrus, Donnermeyer, Dunn, Farrow, Foster, Gray, Head, T. Jones, Kidd, LeMaster, Lile, List, Little, Long, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noland, Pearman, B. Richardson, Schmidt, F. Smith, Stumbo, Thomas, Thomason, Van Horn, Yates. Nays 8-Crupper, Deskins, Fryman, Layman, Maggard, Rapier, Stone, Turner.

HB 402, as amended by the Senate, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 402,** as amended, by the Senate was passed be reconsidered and said motion be placed on the table. Agreed.

HB 172, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative List moved that the House concur in the following Senate Amendment No. 1 to **HB 172:**

Amend printed copy of **HB 172** as follows: page 1, line 4, after the word "clerk" insert a period "."; and on page 1, line 6, following the period after the word "officers" insert a bracket "]".

Agreed.

Representative List moved that **HB 172,** as amended by the Senate, be passed.

On the roll call the vote was yeas 70-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Head, Heleringer, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Yates. Nays 0.

HB 172, as amended by the Senate, was passed and the title agreed to.

Representative List moved that the vote by which **HB 172,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table.

HB 296, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Meyer moved that the House concur in the following Senate Amendment No. 1 to **HB 296:**

Amend printed copy of **HB 296** as follows: on page 2, line 16, insert the following after the comma "," and before the word "and" on line 17: *however, any person employed in an administrative or directorial position at the effective date of this Act shall continue to be covered by the provisions of KRS 90.310 to 90.410 for such time as he is employed in such position notwithstanding the removal of the position from the definition of "employe"*

Agreed.

Representative Meyer moved that **HB 296,** as amended by the Senate, be passed.

On the roll call the vote was yeas 60-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Clapp, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Freibert, Guenthner, Hancock, Head, Hines, R. Jones, T. Jones, Kenton, Kidd, Lile, List, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, Yates. Nays 7-Ford, Foster, Fryman, Holbrook, Johnson, McNutt, Schmidt.

HB 296, as amended by the Senate, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 296,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

SJR 10 returned with the following letter: The Senate has concurred in the House Committee Substitute to **SJR 10** and refused to concur in the House Amendment No. 1 and Title Amendment and respectfully returns it with the request this Honorable Body recede from the Amendments.

SB 190 returned with the following letter: The Senate has concurred in the House Substitute to **SB 190** but has refused to concur in the floor amendment No. 1 and respectfully requests that this Honorable Body recede from the Amendment.

SB 234 returned with the following letter: The Senate has refused to concur in House Amendments No. 2 and 3 to **SB 234** and respectfully returns it with the request that this Honorable Body recede from the Amendments.

Announcing passage of **HJR 4, HB 46, HB 98, HB 110, HB 129, HB 141, HB 154, HB 160, HB 210, HB 213, HB 231, HB 253, HB 281, HB 326, HB 466, HB 507, HB 510, HB 551, HB 677, HB 733,** and **HB 802.**

Orders of the Day (continued)

HB 398, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Foster moved that the House concur in the following Senate Amendment No. 1 to **HB 398:**

Amend printed copy of **HB 398** as follows: on page 2, line 13, by deleting the following: "*provided that all owners vested with any interest in fee simple in the surface estate overlying the particular minerals sought to be developed agree to the declaration of such trust and appointment of a trustee*"

and on page 3, line 16, by deleting the following: "*and all persons who are vested with any interest in fee simple in the surface estate overlying the particular minerals sought to be developed if such persons have not instituted proceedings for the declaration of the trust and appointment of a trustee*"

and on page 6, line 8, by deleting the following: "*and all owners of any interest in fee simple in the surface estate overlying the particular minerals sought to be developed agree to the declaration of the trust and appointment of a trustee*"

Agreed.

Representative Foster moved that **HB 398,** as amended by the Senate, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Handy, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, List, Long, Maggard, Mann, McNutt, Meyer, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 2-Barrows, Moore.

HB 398, as amended by the Senate, was passed and the title agreed to.

Representative Foster moved that the vote by which **HB 398,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 468, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative LeMaster moved that the House concur in the following Senate Amendment to **HB 468:**

Amend printed copy of **HB 468** as follows: on page 2, line 9, by deleting "*direct*"; and

on page 2, by deleting lines 10 through 13 in their entirety, and inserting in lieu thereof the following: "*shall serve by certified mail, return receipt requested, a true copy of the summons with an attested copy of plaintiff's complaint to the secretary of state. The*"; and

on page 2, line 21, by deleting: "*The sheriff shall make the usual return*"; and

on page 2, line 22, by deleting: "*to the court and in addition the*"; and on page 2, line 22, by inserting "*The*" before the word "*secretary*".

Agreed.

Representative LeMaster moved that **HB 468,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 0.

HB 468, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 468,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 334, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Mann moved that the House concur in the following Senate Amendment to **HB 334:**

Amend printed copy of **HB 334** as follows: on page 1, by deleting lines 13 through 18 in their entirety; and

on page 1, line 19 by deleting "*(3)*" and inserting in lieu thereof "*(2)*"; and

on page 6, after line 4 by adding the following:

"SECTION 2. A NEW SECTION OF KRS 367.655 TO 367.670 IS CREATED TO READ AS FOLLOWS:

Any organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code shall be deemed to have fulfilled the reporting requirements of KRS 367.655 if it files a copy of federal Form 990 with the Division of Consumer Protection in the Office of the Attorney General."

Agreed.

Representative Mann moved that **HB 334,** as amended by the Senate, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lile, Long, Maggard, Mann, McBee, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, Williams, Yates. Nays 0.

HB 334, as amended by the Senate, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 334,** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 484, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Ford moved that the House concur in the following Senate Amendment No. 2 to **HB 484.** Agreed.

Amend printed copy of **HB 484** as follows: page 1, line 10 and 11, by deleting lines 10 and 11 in their entirety

and on line 12, by deleting "*(b)*" and inserting in lieu thereof "*(a)*";

and on lien 15, by deleting "*(c)*" and inserting in lieu thereof "*(b)*"

Representative Ford moved that **HB 484,** as amended by the Senate, be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

HB 484, as amended by the Senate, was passed and the title agreed to.

Representative Ford moved that the vote by which **HB 484,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 308, as amended by the Senate, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative LeMaster moved that the vote on Senate Amendment No. 2 to **HB 308** (previously inserted) be reconsidered. Agreed.

Representative LeMaster moved that the House refuse to concur in the Senate Amendment No. 2 and request the Senate to recede. Agreed.

HB 537, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Richards moved that the House concur in the following Senate Amendment No. 1 to **HB 537:**

Amend printed copy of **HB 537** as follows: on page 19, line 25, by adding the following:

"Section 13. KRS 6.525 is amended to read as follows:

The legislators retirement plan shall be governed by provisions identical in terms with those provided in KRS 21.345(1) and (3), 21.370, 21.375, 21.380, 21.410, 21.420, 21.425, 21.460, 21.470, 21.480 and 21.525 for the judicial retirement plan, except that*:*

(1) Five (5) years of service as a legislator will be sufficient for vesting*; and*

(2) A member of the legislators' retirement plan may combine his service credit with his service credit in the teachers' retirement system, Kentucky employes retirement system, county employes retirement system and state police retirement system at the time of his retirement, according to the procedure of KRS 61.680(2)(a). A member of the legislators' retirement plan may retire at the completion of thirty (30) or more years of combined service credit, so long as at least fifteen (15) years of such credit were earned after January 1, 1960, and there shall be no reduction in the retirement allowance because of retirement before the age of sixty-five (65).

Section 14. KRS 161.600 is amended to read as follows:

(1) Effective July 1, 1978, a member of the retirement system may qualify for service retirement by meeting either of the following requirements:

(a) Attainment of age fifty-five (55) years and completion of five (5) years of Kentucky service, two (2) years of which are subsequent to July 1, 1941, or

(b) Completion of thirty (30) years of Kentucky service, two (2) years of which are subsequent to July 1, 1941.

(c) Benefits will be reduced in accordance with KRS 161.620 for persons qualifying under (a) who are less than age sixty (60) years.

(2) Any member shall be automatically retired as of July 1 next following his seventieth (70th) birthday, providing, however, that a member reaching age seventy (70) and having fewer than five (5) years of Kentucky service, two (2) years of which are subsequent to July 1, 1941, shall receive a refund of the member's accumulated contributions as provided in KRS 161.470(6) in lieu of a retirement annuity.

(3) Any person who has been a teacher in Kentucky for thirty (30) years or more and who withdraws from teaching after July 1, 1941, and before reaching the age of sixty-five (65) years may continue to pay into the fund each year, until the end of the fiscal year in which he reaches the age of sixty-five (65) years, the current contribution rate based on the annual compensation received during his last full year as a teacher. If he so elects he shall at any time be entitled to receive a retirement allowance as provided in KRS 161.620. No member shall make contributions as provided for above if such member is at the same time making contributions to another retirement system in Kentucky supported wholly or in part by public funds.

(4) Service credit in the Kentucky employes retirement system, the state police retirement system, *the legislators' retirement plan,* the county employes or the judicial retirement system may be used in meeting the service requirements of subsections (1)(a) and (1)(b) of this section, provided such service is subsequent to July 1, 1956.

(5) No retirement annuity shall be effective until written application and option election forms are filed with the retirement office in accordance with regulations of the board of trustees.

(6) The surviving spouse of an active contributing member, if named as beneficiary of the member's account, may purchase retirement credit that the member was eligible to purchase prior to his death.

Section 15. KRS 61.680 is amended to read as follows:

(1) Every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS *6.500 to 6.535,* 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof.

(2) (a) Notwithstanding any other provisions of KRS *6.500 to 6.535,* 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and 161.220 to 161.714, upon death, disability, or service retirement a member's accounts under the *legislators' retirement plan,* state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for membership in the judicial retirement system may elect to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. When such an election is made, the agency employing the member shall withhold employe contributions, make employer contributions and remit these contributions to the system in which the member retained his membership.

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system may elect to retain membership in the teachers' retirement system during his term of office rather than participate in the Kentucky employes retirement system. Such election to retain membership in the teachers' retirement system must be filed in writing within ninety (90) days after his term of office begins or he will participate in the Kentucky employes retirement system during his term of office. No contributions may be made to the teachers' retirement system for the same period of service under the Kentucky employes retirement system as a member of the general assembly, *but contributions made to the teachers' retirement system while a member of the general assembly shall be transferred to the legislators' retirement plan as provided for in KRS 6.535 when the member elects to join the legislators' retirement plan, and service credit in the legislators' retirement plan shall be granted as provided for in KRS 6.505(2).*

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one (1) of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) Any member of the Kentucky employes retirement system or county employes retirement system who is working in more than one position covered by one of these retirement systems, will have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, then an accumulation of all hours worked will be used to determine eligibility under KRS 61.510(21).

(7) Notwithstanding the provisions of subsection (3) of this section and KRS 21.375, a person entering membership of the judicial retirement system with service credit in the state police retirement system, Kentucky employes retirement system, county employes retirement system or teachers' retirement system will become vested for early and normal retirement benefits in each system in which he has service credit when his combined service credit in all systems is equal to that required for vesting in each respective system."

Agreed.

Representative Richards moved that the House concur in the following Senate Amendment No. 2 (Title) to **HB 537:**

Amend printed copy of **HB 537** as follows: on page 1, by deleting the Title, and by substituting therefor: "AN ACT relating to retirement and declaring an emergency.".

Agreed.

Representative Richards moved that **HB 537,** as amended by the Senate, be passed.

On the roll call the vote was yeas 67-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Fryman, Gray, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Layman, LeMaster, Long, Maggard, McBee, McNutt, Meyer, Moore, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 8-Allen, Caldwell, Clarke, Freibert, Guenthner, Hancock, Mann, Nett.

HB 537, as amended by the Senate, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 537,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 301, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendments to **HB 301** are as follows:

Amend printed copy of **HB 301** as follows: on page 4, line 22, after the word "*trailer.*" by adding the following: "*No motor vehicle dealer shall be responsible for the payment of a tax lien on a motor vehicle which is received as trade-in or otherwise obtained by the dealer.*"

and on page 50, line 1, after the "*(1)*" by inserting the following language: "*Nothing in*"

and on page 24, line 11, after the word "*, and*" by inserting the word "*shall*"

and on page 24, line 12, after the word "*hours*" by inserting the following language: "*at any and all offices and branches that issue applications for titles*"

on page 68, line 23, after the word "*class*" by deleting the letter "*C*" and inserting the letter "*D*" in lieu thereof

and on page 71, line 25, after the word "*class*" by deleting the letter "*C*" and inserting the letter "*D*" in lieu thereof

on page 43, line 16, after the period, by adding the following: "*Notwithstanding the existence of any filed financing statement relating to any vehicle registered or titled in Kentucky, the sole means of determining priority of security interest in such vehicle shall be the notation of the security interest on such vehicle's registration or title.*"

Representative Donnermeyer moved that the House concur in the Senate Amendment No. 1 to **HB 301.** Agreed.

Representative Donnermeyer moved that the House concur in the Senate Amendment No. 2 to **HB 301.** Agreed.

Representative Donnermeyer moved that the House concur in the Senate Amendment No. 3 to **HB 301.** Agreed.

Representative Donnermeyer moved that the House concur in the Senate Amendment No. 4 to **HB 301.** Agreed.

Representative Donnermeyer moved that **HB 301,** as amended by the Senate, be passed.

On the roll call the vote was yeas 54-Arnold, Bendl, Blandford, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Foster, Freibert, Gray, Hancock, Handy, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, LeMaster, Lile, Long, Mann, McBee, McNutt, Meyer, Nett, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, White, Yates. Nays 20-Allen, Barrows, Blevins, Brown, Clapp, Crupper, Farrow, Haering, Head, Layman, Maggard, Moberly, Moore, Noe, Noland, Overstreet, Patrick, Robinson, Todd, Van Horn.

HB 301, as amended by the Senate, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 301**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 311, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment to **HB 311** is as follows:

Amend printed copy of **HB 311** as follows: on page 9, line 4, following the words "maintenance." delete the words "*energy efficiency*"; and

on page 9, line 8, after the words "*stormwindow*" delete the words "*plumbing fixtures, electrical outlets*"; and

on page 9, line 17, following the word "equipment" insert "*including furnaces and hot water heaters*"

Representative Pearman moved that the House concur in Senate Amendment No. 1 to **HB 311.** Agreed.

Representative Pearman moved that **HB 311**, as amended by the Senate, be passed.

On the roll call the vote was yeas 64-Allen, Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Freibert, Gray, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lile, Long, Maggard, Mann, McBee, McNutt, Meyer, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, White, Yates. Nays 5-T. Jones, Moberly, Moore, Patrick, Van Horn.

HB 311, as amended by the Senate, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 311**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 290, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment to **HB 290** is as follows:

Amend printed copy of **HB 290** as follows:

on page 1, line 17, after the word "*plants*" by deleting the words "*but not including residential building develop-*"; and

on page 1, line 18, by deleting the line in its entirety; and

on page 1, line 17, after the word "*plants*", by adding the following: "*including provision for dwellings for persons and their families who are engaged in the above agricultural use on the tract, but not including residential building development for sale or lease to the public*"; and

on page 5, lines 23 and 24 by deleting the brackets and strike throughs.

Representative Barrows moved that the House concur in the Senate Amendment No. 1 to **HB 290.** Agreed.

Speaker Pro Tempore Thomason presiding.

Representative LeMaster moved that **HB 290**, as amended by the Senate, be passed.

On the roll call the vote was yeas 54-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Clapp, Clark, Cowan, Curd, Cyrus, Donnermeyer, Dunn, Gray, Hancock, Handy, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, LeMaster, Lile, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Rattliff, Richards, Riner, F. Smith, Stumbo, Thomas, Turner, Van Horn, White, Williams, Yates. Nays 20-Allen, Brown, Caldwell, Clarke, Crupper, Farrow, Ford, Freibert, Fryman, Layman, McNutt, Noland, O'Brien, Patrick, Pearman, Rapier, P. Richardson, Robinson, B. Smith, Stone.

HB 290, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 290,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 140, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendments to **HB 140** are as follows:

Amend printed copy of **HB 140** as follows:

on page 1, by deleting lines 1-21 in their entirety; and

on page 2, and on page 3, by deleting lines 1-26 in their entirety; and

on page 4, by deleting lines 1-25 in their entirety; and

on page 4, line 26, by changing "Section 2" to read "Section 1"; and

on page 5, line 15, by deleting the word "*incinerator,*" and

on page 5, lines 19 and 20, by deleting the words "*, unless the exception set forth in KRS 224.855(4) applies*"; and

on page 5, line 25, by inserting after the period "." the following:

"*The applicant shall not initiate construction at the proposed site of a new facility for the storage, treatment or disposal of hazardous waste until notice has been given to that portion of the public most likely to be affected by the operation of the proposed facility pursuant to KRS 224.855(1) through KRS 224.855(4) and until a construction permit for said facility has been issued by the department.*"; and

on page 6, line 22, by deleting the word "*incinerators,*"; and

on page 6, line 26, by deleting the comma "," at the end of the line; and

on page 7, by deleting line 1, in its entirety.

on page 8, line 5, by inserting after the word "shall" the words "*assure that the funds needed to close the facility are available by establishing assurance through one (1) or more of the following mechanisms:*"; and

on page 8, lines 5-7, by placing brackets around and striking through the language beginning with "deposit into" and ending with "such closure fund should be"; and

on page 8, line 7, by inserting after the word "cash" the words "*certificates of deposit,*"; and

on page 8, line 9, after the word "department" by inserting the following "*and shall be established by agreement with the department.*"; and

on page 8, lines 9-12, by placing brackets around and striking through the language beginning with "in an amount equal" and ending with "closure fund."; and

on page 8, line 12, by placing brackets around and striking through the word "escrow"; and on page 8, line 19, by inserting before the word "escrow" the words "*financial institution or surety company*"; and

on page 8, lines 23-26, by placing brackets around and striking through the sentence beginning with "When the applicant" and ending with "the closure fund."; and

on page 9, line 2, by placing brackets around and striking through the word "to"; and

on page 9, line 2, by inserting after the word "applicant" the words "*from further financial responsibility for closure*"; and

on page 9, lines 2 and 3, by placing brackets around and striking through the words "all remaining funds accumulated in the closure fund"; and

on page 9, line 13, by inserting after the word "determine" the words "*the amount of*"; and

on page 9, lines 13-15, by placing brackets around and striking through the words beginning with "annual cash payments" and ending with "is shorter into a"; and

on page 9, line 17, by inserting after the words "a minimum of" the phrase "*thirty (30)*" and by placing brackets around and striking through the phrase "twenty (20)"; and

on page 9, line 19, by inserting after the words "shall be" the words "*cash, irrevocable credit or other sureties satisfactory to the department and shall be*"; and

on page 9, line 19, by placing brackets around and striking through the word "escrow"; and

on page 9, lines 20-23, by placing brackets around and striking through the words beginning with "and annual payments" and ending with "agent for the fund"; and

on page 9, line 23, by placing brackets around and striking through the word "escrow"; and

on page 10, line 4, by inserting before the word "escrow" the word "*funds*"; and

on page 10, line 4, by placing brackets around and striking through the words "escrow agent"; and

on page 10, line 5, by inserting at the beginning of the line the words "*be released upon receipt of*" and by placing brackets around and striking through the words "release these funds upon receiving"; and

on page 10, line 10, by inserting at the beginning of the line the phrase "*thirty (30)*" and by placing brackets around and striking through the phrase "twenty (20)"; and

on page 10, lines 15-17, by placing brackets around and striking through the words "and the interest accumulated on that portion of the fund for the year"; and

on page 10, line 23, by placing brackets around and striking through the word "escrow"; and

on page 10, line 26, after "(c)" by inserting the words "*all applicants*" and by placing brackets around and striking through the words "Before a permit can be issued the applicant"; and

on page 11, line 20, by inserting after the words "minimum of" the words "*thirty (30)*" and by placing brackets around and striking through the phrase "twenty (20)"; and

on page 11, line 24, by inserting after the words "at least", the phrase "*thirty (30)*" and by placing brackets around and striking through the phrase "twenty (20)".

Representative Long moved that the House concur in Senate Amendment No. 1 to **HB 140.** Agreed.

Representative Long moved that the House concur in Senate Amendment No. 2 to **HB 140.** Agreed.

Representative Long moved that **HB 140,** as amended by the Senate, be passed.

On the roll call the vote was yeas 66-Allen, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, Long, Maggard, Mann, McBee, McNutt, Meyer, Moore, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, B. Smith, F.Smith, Stone, Stumbo, Van Horn, White, Williams, Yates. Nays 0.

HB 140, as amended by the Senate, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 140,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 139, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendments to **HB 139** are as follows:

Amend printed copy of **HB 139** as follows:

on page 12, line 26, after *Class* by inserting *A Misdemeanor* and deleting *D Felony.*

on page 1, line 5, after the word "establishment" by inserting the following language: "*, except those defined as non-profit organizations under 26 U.S.C. sec. 509 (a),*".

on page 4, line 8, after the word "contract." by adding a new subsection to read as follows:

(c) The bonding requirement set forth in Section 2(1)(b) does not apply to a health spa as defined by Section 1(1) if the health spa:

(i) Charges or assesses, as the result of a membership contract, an annual membership fee or membership fees which total less than one hundred dollars ($100) over a yearly period; or

(ii) Has an active membership enrollment of less than one hundred members; or

(iii) Furnishes to the Attorney General's Division of Consumer Protection a copy of its financial statements, certified by its president or principal to be true and correct, or other documentation establishing to the satisfaction of the Attorney General sufficient financial responsibility in at least the amount of the bond required under Section 2(1)(b). Health Spas exempted by the Attorney General from posting a bond, under this paragraph, shall annually file documentation, as the Attorney General deems appropriate, establishing sufficient financial responsibility to continue to be exempt from the bonding requirement of Section 2(1)(b).

and on page 4, line 22, after the word "*ships.*", by adding the following new subsection:

(4) The provisions of Section 2(1)(b) and Section 2(2) shall not apply to a health spa as defined by Section 1(1) if the health spa is open and in operation on or before April 1, 1982.

Representative McNutt moved that the House concur in Senate Amendment No. 1 to **HB 139.** Agreed.

Representative McNutt moved that the House concur in the Senate Amendment No. 2 to **HB 139.** Agreed.

Representative McNutt moved that the House concur in the Senate Amendment No. 4 to **HB 139.** Agreed.

Representative McNutt moved that **HB 139,** as amended by the Senate, be passed.

On the roll call the vote was yeas 67-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Ford, Freibert, Gray, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway,

R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Tobin, Turner, Van Horn, White, Williams, Yates. Nays 1-Fryman.

HB 139, as amended by the Senate, was passed and the title agreed to.

Representative McNutt moved that the vote by which **HB 139,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 106, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment to **HB 106** is as follows:

Amend printed copy of **HB 106** as follows:

on page 3, line 25, after the word "*section.*" by adding the following: "*The administrator shall have the right to terminate or deny visitation in accordance with criteria and regulations promulgated by the department.*"

Representative Bendl moved that the House concur in the Senate Amendment No. 2 to **HB 106.** Agreed.

Representative Bendl moved that **HB 106,** as amended by the Senate, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Freibert, Gray, Haering, Hancock, Handy, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, Maggard, Mann, McBee, McNutt, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Williams, Yates. Nays 0/

HB 106, as amended by the Senate, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 106,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 179, as amended by the Senate, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment to **HB 179** is as follows:

Amend printed copy of **HB 179** as follows:

on page 1, line 6, after the word "*a*" by inserting the words "*five (5) year*"

and on page 1, line 16, by deleting the words "*eleven dollars and fifty cents ($11.50)*" and inserting the words "*twenty-five dollars ($25)*" in lieu thereof

and on page 1, line 19, after the word "*of*" by deleting the word "*the*" and inserting the words "*an eleven dollars fifty cents ($11.50)*" in lieu thereof

and on page 1, line 20, after the word "*year*" by deleting the word "*tag*" and inserting the words "*renewal decal*" in lieu thereof

and on page 2, line 16, after the word "*year*" by deleting the word "*tag*" and inserting the words "*renewal decal*" in lieu thereof.

Representative F. Smith moved that the House concur in Senate Amendment No. 1 to **HB 179.** Agreed.

Representative F. Smith moved that **HB 179,** as amended by the Senate, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Layman, LeMaster, Lile, List, Long, Maggard, McBee, McNutt, Meyer, Moore, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 3-Barrows, Clarke, Moberly.

HB 179, as amended by the Senate, was passed and the title agreed to.

Representative F. Smith moved that the vote by which **HB 179,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 166, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment to **HB 166** is as follows:

Amend printed copy of **HB 166** as follows:

on page 1, line 7, after the word "*a*" by inserting the words "*five (5) year*"

and on page 1, line 7, after the word "*plate*" by deleting the words "*indicating his status as a former prisoner of war,*" and inserting the words "*, for either one (1) automobile, or one (1) truck of one-half (½) or three-quarter (¾) ton rating,*" in lieu thereof

and on page 1, lines 10-13, by deleting the words: "*a registration fee of twelve dollars fifty cents ($12.50), of which one dollar ($1.00) shall constitute the clerk's fee and eleven dollars fifty cents ($11.50) shall constitute the department's fee.*" and inserting the words "*a twenty-five dollar ($25.) state fee and a one dollar ($1) clerk's fee.*" in lieu thereof

and on page 2, line 3, after the word "*and*" by deleting the word "*after*" and inserting the word "*without*" in lieu thereof and on page 2, line 7, after the period "." by inserting the words: "*For services performed to renew such registration, the clerk shall receive a one dollar ($1) fee.*"

and on page 3, line 2, after the period "." by inserting the words: "*In the event a prisoner of war license plate, within five (5) years of the date of its issue, deteriorates to the point where the inscriptions thereon are not discernible, the owner may obtain a replacement plate free of charge.*"

Representative Pearman moved that the House concur in the Senate Amendment No. 1 to **HB 166.** Agreed.

Representative Pearman moved that **HB 166,** as amended by the Senate, be passed.

On the roll call the vote was yeas 69-Allen, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Head, Heleringer, Hines, Holloway, T. Jones, Kenton, Layman, LeMaster, Lile, Long, Maggard, McBee, Meyer, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 4-Barrows, Clarke, Handy, McNutt.

HB 166, as amended by the Senate, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 166,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative LeMaster moved that the House recess for five minutes for a meeting of the State Government Committee. Agreed.

At the appointed hour, the Speaker Pro Tempore assumed the Chair and called the House to order.

Orders of the Day (continued)

Representative LeMaster moved that the vote on **HB 402,** as amended by the Senate, be reconsidered and that it be placed in Orders of the Day.

On the roll call the vote was yeas 60-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Farrow, Foster, Freibert, Gray, Hancock, Handy, Head, Hines, Holloway, T. Jones, Kenton, Kidd, LeMaster, Long, McBee, McNutt, Meyer, Moberly, Nett, O'Brien, Pearman, Perkins, Petty, Rapier, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 8-Allen, Boswell, Clarke, Ford, Fryman, Heleringer, Morris, Patrick.

The motion that the vote on **HB 402** be reconsidered and that it be placed in Orders of the Day was adopted.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Title Amendment to **HCR 70,** by Representative Harper:

Amend printed copy of **HCR 70,** page 1, title, delete the word "CONCURRENT" in the Title.

Floor Amendment No. 1 to **HCR 70,** by Representative Harper:

Amend printed copy of **HCR 70,** page 1, resolving clause, delete the following language in the resolving clause: "*the Senate concurring therein.*"

Floor Title Amendment to **HR 85,** by Representative Noe:

Amend printed copy of **HR 85,** page 1, title, delete the title and insert the following:

"A RESOLUTION commending the Board of Directors of the Tennessee Valley Authority for its decision to cancel construction of three nuclear power plants, and stating the policy that no nuclear power plants be allowed to be built in Kentucky."

Floor Amendment No. 1 to **HR 85,** by Representative Noe:

Amend printed copy of **HR 85,** page 1, after line 8, by adding the following:

"Section 2. That the House of Representatives of the General Assembly of the Commonwealth of Kentucky hereby declares its policy that no nuclear power plants shall be built within the Commonwealth of Kentucky."

and on page 1, line 9, by deleting the number "2" and inserting in lieu thereof "3"; and

on page 1, line 12, after the words "TVA Board," by inserting "the Nuclear Regulatory Commission,"

Floor Amendment No. 2 to **HB 515,** by Representative Thomason:

Amend printed copy of **HB 515,** page 45, line 12, by adding after the word "*through*" the following: *(G) and*

Floor Amendment No. 3 to Committee Substitute to **HB 515,** by Representative Thomason:

Amend printed copy of Committee Substitute to **HB 515,** page 45, line 12, by adding after the word "*through*" the following: *(G) and*

Floor Amendment No. 4 to Committee Substitute to **HB 515,** by Representative Thomason:

Amend printed copy of Committee Substitute to **HB 515,** page 9, line 22, by adding after the word "*through*" the following: *(G) and*

Floor Amendment No. 4 to **HB 622,** by Representative Richards:

Amend printed copy of **HB 622,** page 1, line 1, by deleting all materials following the enacting clause and inserting the following in lieu thereof:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

As used in this section unless the context otherwise requires:

(1) "Governing board" means the board of trustees or board of regents constituting the corporate bodies established by KRS 164.160 and 164.310 for the purpose of governing universities and colleges.

(2) "Institutions" means all public supported institutions of higher education in Kentucky recognized in KRS 164.100, 164.290, 164.293 or 164.810(1)(a).

(3) "Affiliated corporation" means a corporate entity which is not a public agency and which is organized pursuant to the provisions of KRS Chapter 273 over which an institution exercises effective control, by means of appointments to its board of directors, and which could not exist or effectively operate in the absence of substantial assistance from an institution.

(4) "Depository bank" means any bank so designated by the treasurer of the Commonwealth as appropriate for receiving public monies.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The secretary of the department of finance shall issue warrants authorizing the treasurer of the Commonwealth of Kentucky to pay to the treasurer of each institution any amounts due by virtue of the annual state appropriations for that institution, or transfer the amount due electronically if electronic transfer is authorized by statute. The transfer of funds shall be handled in a manner to assure a zero balance in the general fund account at the university.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of the public institutions of higher education electing to perform in accordance with this Act regarding the acquisition of funds, accounting, purchasing, capital construction and affiliated corporations shall do so by regulation. The responsibility for this election is vested with the governing boards, any other statute to the contrary notwithstanding. The governing board may delegate these responsibilities by regulation to appropriate officials of the institution. The anticipated investment earnings which have been credited to the general fund and the anticipated investment earnings on funds in the capital construction account, excluding revenue bonds, for fiscal year 1982-83 and 1983-84 may be deducted from the respective institution's trust and agency funds on deposit prior to the issuance of a check or transfer to the governing board.

(2) The governing boards of institutions may elect to receive, deposit, collect, retain, invest, disburse, and account for all funds received or due from any source including, but not limited to, state and federal appropriations for the support or maintenance of the general operations or special purpose activities of such institutions. In the event of such election by the governing board:

(a) The treasurer of the university shall deposit on a timely basis all tuition fees, fees for room and board, incidental fees, contributions, gifts, donations, devises, state and federal appropriations, monies

received from sales and services, admittance fees, and all other monies received from any source, in a depository bank or banks designated by the governing board.

(b) The governing board shall promulgate rules and regulations limiting disbursements to the amounts and for the purposes for which state appropriations have been made, or for which other monies have been received. All disbursements shall be recorded in a system of accounts as set forth in this Act. The treasurer of each institution shall prescribe forms to be used with the system of accounts, and no treasurer shall approve any disbursement document unless he determines that the disbursement is to satisfy a liability of the institution incurred for authorized purposes and that the disbursement is to be made from the unexpended balance of a proper allotment.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing board of each university making the election authorized in Section 3 of this Act shall as a condition of such election install an accrual basis accounting system conforming with generally accepted accounting principles and procedures established for colleges and universities by the national association of college and university business officers and the american institute of certified public accountants. The accounting system shall include but not be limited to the following fund structure:

(a) An operating fund group (unrestricted current funds), consisting of all monies not otherwise restricted, available for general operations, including state appropriations, federal funds, and unrestricted institutional receipts. Separate accounting fund groups may be established for auxiliary enterprises, athletics, hospitals, and other similar operations.

(b) A restricted fund group consisting of appropriations and other receipts restricted as to purpose which shall not be included in the operating fund.

(c) A loan fund group consisting of gifts, grants, and other funds provided and available for loans to students.

(d) An endowment fund group consisting of funds, the principal of which is not currently expendable.

(e) An agency fund group consisting of resources held by the institutions as custodian or fiscal agent for individual students, faculty, staff members and organizations.

(f) A plant fund group consisting of:

1. Unexpended plant funds to be used for the acquisition of long lived assets for institutional purposes (capital construction funds);

2. Funds for renewal, maintenance, and replacement of institutional buildings, equipment and other properties; and

3. Funds set aside for debt service charges and retirement of indebtedness on institutional plant.

(2) A record of each general fund appropriation shall be maintained so as to identify the institutional budgets to which such funds are allotted. Any uncommitted state general funds remaining after the close of business on the last day of the fiscal year shall lapse and be returned to the treasury of the Commonwealth. Each appropriation shall be used for the intended purpose and where questions of intent arise, subject to the provisions of KRS 45.750 and KRS 45.800 in the case of capital construction projects and major items of equipment as defined by these sections, the decision of the secretary of finance, based upon budget work papers, shall be final.

(3) A separate account showing sources of revenue and all expenditures shall be maintained for each capital construction project. At the end of each fiscal year, a report containing a listing of all capital construction projects, with sources of funds, expenditures and current status for each, shall be submitted to the capital construction and equipment purchase oversight committee.

(4) Within thirty (30) days after the effective date of this Act, the secretary of finance shall submit to the capital construction and equipment purchase oversight committee a complete record of all funds and project records transferred to institutions under the provisions of this Act.

(5) Within thirty (30) days after the effective date of this Act, the governing boards shall submit to the capital construction and equipment oversight committee a report containing a complete list of capital construction projects and unexpended plant funds in existence on the effective date of this Act. The source of funds, expenditures and current status of each project shall be shown.

(6) State general funds appropriated by the general assembly for capital construction projects and equipment purchases as defined in KRS 45.750 through KRS 45.800 shall not lapse at the end of a fiscal year. They shall be carried forward until the project is completed. Any such unexpended funds remaining after acceptance of the project as complete shall be returned to a surplus account of the capital construction fund for investment until appropriated and allotted as provided in KRS 45.750 through KRS 45.800.

(7) Long lived assets of the institution, including land, buildings, and capital equipment shall be accounted for in the plant fund group.

(8) The governing boards of each institution shall make an annual report of the financial activity to the council on higher education. The report shall meet the requirements of the council's system of uniform financial reporting for institutions of higher education.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board of any university making the election prescribed in Section 3 of this Act shall engage a qualified firm of certified public accountants experienced in the auditing of institutions to conduct an annual examination of the institution's financial statements in accordance with generally accepted auditing standards for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with this Act. The secretary of finance may prescribe the minimum scope of any such audit. The opinion, with the findings and recommendations, shall be forwarded to the governor, the secretary of the department of finance, the auditor of public accounts, the director of the legislative research commission, the executive director of the council on higher education, and members of the governing board.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of each institution may elect to purchase interest in real property, contractual services, rentals of all types, supplies, materials, equipment, printing, and services, except that competitive bids may not be required for:

(a) Contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;

(b) Food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies;

(c) Instructional materials available from only one (1) source;

(d) Where rates are fixed by law or ordinance;

(e) Library books;

(f) Commercial items that are purchased for resale;

(g) Professional, technical, scientific or artistic services, but contracts shall be submitted in accordance with KRS 45.700 and 45.720;

(h) All other commodities, equipment and services which, in the reasonable discretion of the board, are available from only one (1) source; and

(i) Interests in real property.

(2) Nothing in this section shall deprive the boards from negotiating with vendors who maintain a general service administration price agreement with the United States of America or any agency thereof,

provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between general service administration and the vendor affected.

(3) The governing board shall require the institution to take and maintain inventories of plant and equipment.

(4) The governing board shall establish procedures to identify items of common general usage among all departments to foster volume purchasing. It shall establish and enforce schedules for purchasing supplies, materials, and equipment.

(5) The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property.

(6) Upon the approval of the secretary of finance, the governing board may purchase or otherwise acquire all real property determined to be needed for the institutions use. The amount paid shall not exceed the appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure.

(7) The governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the appropriate officer of the board. Unless the board deems it in the best interest of the institution to proceed otherwise, all such real or personal property shall be sold either by invitation of sealed bids or by public auction, provided, however, that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the department of finance or the department of transportation for such requirements of that department.

(8) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employe of any board of the institution, based upon a written application by the grantor or leasor approved by the board, that the employe has not either himself or through any other person influenced or attempted to influence either the board requesting the purchase of the property. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the secretary of state along with the other documents recorded pursuant to the provisions of KRS Chapter 56.

(9) For capital construction projects, the bidding may be on a total design-bid basis, a package system commonly referred to as "turnkey", or construction management, whichever in the judgment of the board offers the lowest real cost to the taxpayer. Bids shall be reviewed by the institution's engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.

(10) The governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost. To accomplish this the board may enter into cooperative agreements with other public or private institutions of education or health care.

(11) The governing board shall have control and supervision over all purchases of energy consuming equipment, supplies and related equipment purchased or acquired by the institution, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.

(12) The governing board may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency must be fully explained, in writing, by the vice president responsible for business affairs and such explanation must be approved by the university president. The letter and approval shall be filed with the record of all such purchases. Where practical, standard specifications shall be followed in making emergency purchases. A good faith effort shall be made to effect a competitively established price for emergency purchases.

Section 7. KRS 164.410 is amended to read as follows:

(1) The governing board [~~Each board of regents~~] may[~~, on such terms as it regards best for the university or college,~~] purchase or lease land for the purpose of securing the erection of buildings, and may receive by any legal mode of conveyance, purchase and hold property of any description that the board deems necessary for the purposes of the school, and may build and construct improvements for such purposes and hold or sell the same. If a board of regents is unable to agree with the owner of such real estate as to its value, or to its purchase, it may proceed in its own name to condemn such real estate in the manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by purchase or condemnation shall be paid for out of money appropriated to the *institution* [~~university or college. Each board of regents may, when it regards it best for the school, sell and convey any real estate, buildings or equipment owned by it, but the proceeds arising from the sale must be reinvested in other real estate, buildings and equipment for the use of the university or college~~].

(2) The governing board of each institution shall periodically review the assets of the institution and shall sell and convey those assets not necessary for implementing the institutional mission. Proceeds from the disposition shall be deposited in the unexpended plant fund account or in the fund for excellence authorized by this Act.

(3) Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Subject to the provisions of KRS 45.750 through 45.800 and KRS 56.870 to 56.874, the governing board of each institution may provide for the management and administration of capital construction projects authorized for such institution including, but not limited to:

(1) The procurement of necessary consulting services;

(2) The supervision and control of the making of all contracts for building projects, renovation projects, repair projects, and supervision of same;

(3) The prescription of the amount and form of evidences of indebtedness submitted in connection with bids and contracts when not otherwise provided by law;

(4) The preparation of plans and specifications for any construction, alteration, or enlargement of buildings, structures, and other improvements;

(5) The advertisement of bids and the awarding of contracts in connection with such projects;

(6) The supervision and inspection of all related work;

(7) The approval of changes in plans or specifications; and

(8) The acceptance of such improvements when completed according to such plans and specifications.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) Subject to authorization by the General Assembly, the governing boards may make plans and specifications, advertise for bids, let contracts or incur any financing commitments, either in the way of a charge against institution funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction, alteration, reconstruction, or major repair of any building or other structure, or sewage disposal, water supply system or other utility system.

(2) Review of construction plans for conformance with the uniform state building code shall be conducted by the department of housing, buildings and construction. The board shall not approve any such

project requiring its approval in any instance where it finds that the project is not needed, or that the proposed method of financing is not sound, or in cases where the project will exceed the amount of the funds available therefor, or the work contemplated will be insufficient to accomplish the purpose of the project, or that after providing for the ordinary recurring expenses of administration and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the treasury to promptly pay for the work or that the work is to be done by employes of the institution.

(3) Any capital construction project, except as provided in subsection 4, shall be contracted for on a competitive bid basis, and the execution of such contracts shall be approved and authorized by the board. When a capital construction project has been approved as provided in this section, in whole or in part, the board shall prepare the plans and specifications, advertise for bids, award the contracts, supervise the construction and handle the financial negotiations.

(4) A capital construction project, the total cost of completion of which will not exceed seventy-five thousand dollars ($75,000), may be performed by the employes of the institution or by individuals hired specifically for the project. Necessary materials and supplies shall be procured in accordance with the standard purchasing procedures and policies of the board as defined in this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In the procurement of architectural and engineering services, the governing board of the institution shall encourage firms engaged in the lawful practice of their profession to submit an annual statement of qualifications and performance data.

(2) When the need for architectural and engineering services arise for specific projects, the governing board shall evaluate current statements of qualifications and performance data on file with the Commonwealth, together with those that may be submitted by other firms and shall conduct discussions with no less than three (3) firms regarding anticipated design concepts and the relative utility of alternative methods of approach for furnishing the required services, and shall then select therefrom, in order of preference, based upon criteria established and published, no less than three (3) of the firms deemed to be the most highly qualified to provide the services required.

(3) The governing board shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the governing board determines in writing to be fair and reasonable to the Commonwealth. In making this decision, the governing board shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the governing board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price it determines to be fair and reasonable to the institution, negotiations with that firm shall be formally terminated. The governing board shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the governing board shall formally terminate negotiations with that firm. The governing board shall then undertake negotiations with the third most qualified firm. Should the governing board be unable to negotiate a satisfactory contract with any of the selected firms, it shall select additional firms in order of their competence and qualification and the governing board shall continue negotiations in accordance with this section until an agreement is reached.

SECTION 11. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Capital construction projects shall be carried out as follows:

(1) Subject to the provisions of KRS 45.750 through 45.800, the governing boards of the institutions may acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, equip, furnish, and operate any buildings, structures, improvements, or facilities, including any utilities, other related services and appurtenances and land required as the respective governing boards shall deem necessary for carrying on the educational, research or public service programs or discharging the statutory responsibilities of the universities and colleges and various divisions under the jurisdiction of the boards, or for the management, operation, or servicing of the universities and colleges.

(2) The governing boards may acquire real or personal property, by purchase, lease, sublease, condemnation, trade or exchange, gift, devise, or otherwise, and improve such property whenever in the judgment of the governing board it shall be necessary. The title to any real estate acquired under this section shall vest in the Commonwealth for the use and benefit of the appropriate institution.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The procedures and limitations related to capital construction and equipment purchases set forth in KRS 45.750 through 45.800 shall apply to the governing boards. The governing boards may establish a contingency fund and an emergency repair, maintenance and replacement fund in their plant fund records. Transfer and use of these funds shall be governed by the provisions of KRS 45.770 and 45.780, as appropriate, except that the governing boards of each university shall perform the functions assigned to the department of finance in KRS 45.770 and 45.780.

(2) Capital construction and equipment purchase projects established by the governing boards shall be limited to the scope authorized by the general assembly, and the total costs of each project shall not exceed the appropriation; except for emergency projects that may arise. In such instances, the governing boards may transfer funds from other projects or from operating funds; however each emergency project that is authorized by the board and sources of funds shall be promptly reported to the capital construction and equipment purchase oversight committee.

SECTION 13. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Subject to the provisions of KRS 45.750 to 45.800 and KRS 56.870 to 56.874, the governing boards may issue, under the provisions of KRS 162.340 to 162.380, consolidated educational building revenue bonds, housing bonds, or bond anticipation notes. The board of the institution shall submit to the state property and building commission a request for approval of the project before any financial commitment of any sort may be made in connection therewith, including employment of architects, engineers, fiscal agents or attorneys. Personal service contracts for fiscal agents and bond counsel shall be subject to KRS 45.700 to 45.720 and architects and engineers shall be selected as provided in Section 10 of this Act. After approval by the commission, the governing board shall appoint fiscal agents, bond counsel and architects and engineers as may be required to make plans and specifications or financial arrangements for the project. The date of sale on such issues shall be coordinated with the department of finance to avoid a conflict with other state bond issues.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) An institution may organize and operate one (1) or more affiliated corporations to assist it in carrying out its programs, missions or other functions. A qualified firm of certified public accountants experienced in the auditing of colleges and universities and their affiliated corporations shall be engaged to conduct an annual examination of the corporation's financial statements in accord with generally accepted auditing standards for the purpose of rendering an independent opinion thereon and preparing a report of findings and recommendations concerning appropriate accounting controls and compliance with applicable statutes. The affiliated corporation shall adhere to the principles of accounting and purchasing used by the institution with which it is affiliated.

(2) The affiliated corporation shall provide the institution with an accounting at least quarterly, of all income and expenditures of said corporation in connection with contracts or grants with entities external to the institution and the corporation, for the conduct of research or other projects carried out, in whole or in part, through the use of institutional facilities or personnel.

(3) The affiliated corporation shall pay to, or for the benefit of, the institution any and all funds received by it from any person, corporation, association or governmental agency external to the institution and the affiliated corporation as reimbursement for indirect expenses incurred by the institution in carrying out research or furnishing other goods or services, deducting from such payments only the expenses attributable to the procurement and performance of research grants and contracts and other contracts for the provision of such goods and services and such sums as may be essential to meet contractual obligations incurred at the request of the institution's governing board.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Nothing contained in this Act shall be construed to prevent an institution or an affiliated corporation from enforcing or carrying out the bona fide terms of any gift, grant, conveyance, devise or bequest from any private person, corporation, foundation, estate or other entity contributing funds or any other thing of value to the institution or affiliated corporation, nor shall same be construed to prevent an affiliated corporation from awarding athletic scholarships or other scholarship, fellowship, assistantship or similar grants, loans or awards to students, faculty or other employes of an institution, or from performing such other functions as may be assigned by the institution's governing board.

Section 16. KRS 164.340 is amended to read as follows:

The governing [~~Each~~] board [~~of regents~~] shall meet quarterly at the university or college or at such other place as is agreed upon. Upon written request of the president of the *institution* [~~university or college~~] or of two (2) members of the board, the chairman of the board shall call a special meeting at a place designated by him, and the board may at such special meeting transact any or all business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money *shall be made* nor any contract that requires *a* [~~an appropriation or~~] disbursement of money shall be *authorized* [~~made~~], and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

SECTION 17. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board is authorized to establish a "fund for excellence" trust fund into which gifts, grants, and special appropriation by the general assembly intended for such purpose may be deposited. The governing board may also deposit into this fund proceeds from the sale of surplus property. Investment income from monies in this fund shall be used only to enhance academic programs of the institutions.

SECTION 18. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

If any provisions of this Act or the application thereof to any persons or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 19. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In carrying out the provisions of this Act the governing boards shall be bound by the following statutes:

(a) KRS 56.610 to 56.820 regarding relocation assistance and lease of property for state use, and 56.870 to 56.874 regarding legislative approval of state fiscal obligations.

(b) The Kentucky Model Procurement Code as set forth in KRS Chapter 45A.

(c) KRS Chapter 56 as it relates to the approval of revenue bond issues that require approval by the state property and building commission.

(d) KRS 45.550 to 45.640 regarding equal employment opportunity.

(2) Any other provisions of KRS Chapters 41, 42, 45, 56, 57 to the contrary notwithstanding, this Act shall govern the financial management of higher education with the exception of KRS 45.990 and 45A.990 having to do with penalties which shall be applicable to violations of this Act.

(3) Any officer, agent or employe of any institution who wilfully fails or refuses to comply with any other provisions of this Act is subject to indictment in the appropriate circuit court and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than one thousand dollars ($1000.00) for each offense.

Floor Amendment No. 3 to **HB 777,** by Representative Meyer:

Amend printed copy of **HB 777,** page 1, line 12, by deleting the word "*or*" which appears at the end of the line; and on page 1, lines 13 thru 16, by deleting them in their entirety.

Floor Amendment No. 3 to Committee Substitute to **HB 783,** by Representative Worthington:

Amend printed copy of Committee Substitute to **HB 783,** page 7, lines 25 and 26, by deleting same; and on page 8, lines 1 to 5, by deleting same.

Floor Amendment No. 4 to Committee Substitute to **HB 783,** by Representative O'Brien:

Amend printed copy of Committee Substitute to **HB 783,** on page 1, line 13, after the word "*roads*" by inserting the words "*and the unclassified road system*"

and on page 1, line 18, after the word "*system.*" by inserting the following language: "*The unclassified system is a facility that is presently a state maintained road that is not included as part of the state primary, state secondary or state rural secondary system and can be either a county road or a city street.*"

and on page 1, line 21, after the word "*roads*" by inserting the following language: "*and the unclassified road system*"

and on page 2, line 5, after the word "*roads*" by inserting the following language: "*and the unclassified road system*"

and on page 2, line 10, after the word "*roads*" by inserting the following language: "*and the unclassified road system*"

and on page 3, line 1, after the word "*roads*" by inserting the following language: "*and the unclassified road system*"

and on page 3, line 25, after the word "*roads*" by inserting the following language: "*and the unclassified road system*"

and on page 7, lines 8-26, by deleting the lines in their entirety

and on page 8, lines 1-5, by deleting the lines in their entirety.

Floor Amendment No. 1 to **SB 77,** by Representative B. Richardson:

Amend printed copy of **SB 77,** page 2, after line 10, by adding the following:

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

There is hereby created a mining and minerals trust fund, hereinafter referred to as the "fund."

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

All monies received by the mining and minerals trust fund shall be deposited in the state treasury in a separate account entitled "mining and minerals research." The treasurer of the Commonwealth shall, by the 10th day of each month, issue a check to the trustee of the mining and minerals trust fund in an amount equal to the balance of funds in the account at the close of business on the last business day of the preceding month. Idle funds in the account shall be invested, consistent with disbursement requirements, by the treasurer and investment earnings shall accrue to the state general fund.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Monies deposited in the mining and minerals trust fund in fiscal years 1982-83 and 1983-84 are appropriated for the purposes contained in Section 7 of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) There is established a mining and minerals trust fund at the University of Kentucky under the control and direction of a board of trustees. The board of trustees shall consist of three (3) members of the university board of trustees appointed by the chairman of that board; two (2) members appointed by the speaker of the house of representatives of the Kentucky general assembly; and two (2) members appointed by the president pro tem of the senate of the Kentucky general assembly. For the first term, one (1) appointment each shall be for one (1) year. All other appointments and all subsequent appointments shall be for two (2) years.

(2) The members shall select from themselves one (1) member to serve as chairman. The members shall serve without pay but shall be entitled to reasonable expense reimbursement from the fund.

(3) The board may receive and accept for deposit in the fund bequests, gifts, grants and any appropriations by the general assembly and shall have the power to make decisions regarding disbursal of those funds consistent with the provisions of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Records shall be maintained for all receipts and disbursements from the fund and an annual audit of the transactions shall be conducted as part of the University of Kentucky annual audit at the end of each fiscal year. A quarterly financial report shall be prepared by the trustees and a copy of this report shall be submitted to the executive director of the legislative research commission and to the governor.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The fund shall be used to defray the costs of the Kentucky geological survey, mining and minerals research, mining and minerals related public service, and debt service to retire revenue bonds issued to defray the costs of constructing and equipping any mining and minerals building authorized by the general assembly for construction on the University of Kentucky campus. The eligible costs include research and public service expenditures in mining and engineering, coal geology, and administrative costs for the Kentucky geological survey. Idle funds shall be invested as provided by law for funds of the University of Kentucky. Investment earnings shall be deposited in the fund. Indirect costs shall not be paid to the University of Kentucky from the fund but payment of direct costs is not prohibited.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

A separate budget for the geological survey administration costs, mining and minerals research, mining and minerals related public service, and required debt service on a mining and minerals building shall be submitted in accordance with KRS Chapter 45.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The University of Kentucky may issue revenue bonds to provide for the construction of a building to house the school of mines and minerals.

SECTION 10. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

For fiscal years 1982-83 and 1983-84 five percent (5%) of all license, permit, and acreage fees, collected by the department of mines and minerals and by the department of natural resources and environmental protection and which are related to mining or minerals, shall be deposited to the credit of the mining and minerals trust fund. For fiscal 1984-85 and each year thereafter twenty percent (20%) of all such fees shall go to the fund.

Floor Amendment No. 1 to **SB 93,** by Representative Morris:

Amend printed copy of **SB 93,** page 3, line 26, to delete "*imprisonment in the county jail for not less*"

and on page 4, line 1, to delete the same,

and on page 4, line 2, to delete "*shall be punished by*"

and on page 4, line 4, to delete the same

and on page 9, line 11, to delete "*imprisonment in the*"

and on page 9, line 12, to delete the same

and on page 9, line 13, to delete "*ninety (90) days and by*"

and on page 9, line 13, following "*by*" to add "*a*"

and on page 9, line 15, to delete "*Ten (10) days of the sentence of*"

and on page 9, line 16, to delete the same

Floor Amendment No. 1 to **SB 97,** by Representative Heleringer:

Amend printed copy of **SB 97,** page 9, after line 21, by adding the following:

"Section 9. KRS 304.13-030 is amended to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;
2. To the conflagration and catastrophe hazards;
3. To a reasonable margin for underwriting profit and contingencies;
4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;
5. To past and prospective expenses both country wide and those specially applicable to this state;
6. To all other relevant factors within and outside this state; and
7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three-year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses;

(f) Notwithstanding other provisions in this section, motor vehicle insurance rates shall be determined solely on the basis of the driving record of the insured and factors such as age, sex, marital status, race, and place of resident shall not be used to determine motor vehicle insurance rates.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of KRS 304.13-030, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle.

Section 10. Section 9 of this Act shall become effective on June 1, 1983."

Floor Amendment No. 2 to Committee Substitute to **SB 103,** by B. Richardson:

Amend printed copy of House Committee Substitute to **SB 103**, on page 24, line 1, by adding the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) If spouses both serve in the General Assembly, but not simultaneously, they may combine their service credit in the legislators retirement plan for all purposes of that plan into a single account, and may jointly designate to whom the service retirement allowance shall be paid. The designation shall not be changed once it is made. Assuming equal service credit, the benefits paid, pursuant to this section, to a legislator and his or her spouse who also served as a legislator shall not exceed the benefits that the same legislator and his or her spouse would receive if the spouse had not served as a legislator.

(2) In the event of divorce, rights to benefits shall be considered marital property subject to the provisions of KRS 403.190.

(3) A former legislator whose spouse currently serves in the General Assembly and who received a refund of contributions pursuant to KRS 21.460 may repurchase service credit which he or she previously had by repaying the amount refunded with interest at six percent (6%) per annum, and such service credit shall become part of the single account authorized by subsection (1) of this section."

Floor Amendment No. 3 to Committee Substitute to **SB 138**, by Representative Barrows:

Amend printed of HCS to **SB 138**, page 6, line 1, by deleting "1983" and inserting in lieu thereof "1984".

Floor Amendment No. 2 to **SB 149**, by Representative Farrow:

Amend printed copy of **SB 149**, on page 1, line 3, by inserting at the beginning of the line "*(1)*"; and on page 1, by inserting the following after line 13:

"*(2) This lien shall apply to vehicles towed or stored pursuant to the order of any law enforcement officer, provided that the order is lawful and further provided that the owner of any vehicle so towed or stored be notifed within five (5) days of the location of the vehicle and the amount of the towing and storage charges.*

(3) The notification referred to in subsection (2) of this section shall be by certified mail, return receipt requested, to the owner's address on the certificate of title and registration for the vehicle. Notification properly mailed to said address shall be deemed to have been received."

Floor Amendment No. 3 to **SB 149**, by Representative Farrow:

Amend printed copy of **SB 149**, on page 1, by deleting lines 1, 2, and 3.

Floor Amendment No. 2 to **SB 173**, by Representative Clarke:

Amend printed copy of **SB 173**, page 19, after line 15, by adding the following language:

"SECTION 8. A NEW SECTION OF KRS CHAPTER 18 IS CREATED TO READ AS FOLLOWS:

(1) The total number of permanent full-time personnel employed in agencies of the executive branch shall not exceed thirty-three thousand (33,000).

(2) The provisions of subsection (1) of this section do not apply to employees of the general assembly, the legislative research commission or the court of justice."

and by renumbering the remaining sections to conform.

Floor Amendment No. 1 to **SB 211**, by Representative Ellington:

Amend printed copy of **SB 211**, page 3, line 23, after (g) and before the word "The" insert the following language: "*Who is enrolled in a church school and whose parents or guardians have given notice to the school superintendent in the district in which they reside that said child is so enrolled. The church school will confirm the names of those children whose parents have given such notice.*"

Floor Amendment No. 1 to **SB 223**, by Representative B. Richardson:

Amend printed copy of **SB 223**, page 19, after line 21, by inserting the following:

"Section 7. KRS 289.441 is amended to read as follows:

(1) Real estate loans may be made *under the same terms and conditions as authorized for a bank, trust company or combined bank and trust company under KRS 287.215 or* [~~only~~] as authorized by this chapter. No real estate loan shall be made until a qualified person or persons selected by the board of directors shall have submitted a signed appraisal of the real estate securing such loan.

(2) Every loan shall be evidence by a note or bond for the amount of the loan. The note or bond shall specify the amount, rate of interest, terms of repayment including any penalty or charge for late payment, and may contain all other terms of the loan contract.

(3) Every real estate loan shall be secured by a mortgage or other instrument constituting to a first lien, upon the real estate securing the loan, according to any lawful or well-recognized practice which is best suited to the transaction. Any such instrument, constituting a first lien, is herein termed a "mortgage." Such mortgage shall provide specifically for full protection to the association with respect to such loan and additional advances and the usual insurance risks, taxes, assessments, other governmental levies, maintenance, and repairs. It may provide for an assignment of rents, which assignment shall be absolute upon the borrower's default, becoming operative upon written demand made by the association. All such mortgages shall be recorded in accordance with the law of this commonwealth.

(4) Any mortgage that can be made by an association under the provisions of this chapter may be made to secure existing debts or obligations, to secure debts or obligations created simultaneously with the execution of the mortgage, to secure future advances to be made at the option of the parties up to a total amount stated in the mortgage, and all such debts, obligations, and future advances shall, from and as of the time the mortgage is filed for record as provided by the law of this state, be secured by such mortgage equally with, and have the same priority over the rights of all persons who subsequent to the recording of such mortgage acquire any rights in or liens upon the mortgaged real estate as the debts and obligations secured thereby at the time of the filing of the mortgage for record.

(5) An association may pay taxes, assessments, insurance premiums, and other similar charges for the protection of its real estate loans. All such payments shall be added to the unpaid balance of the loan and shall be equally secured by the first lien on the property as provided in subsection (3) of this section. An association may require life insurance to be assigned as additional collateral upon any real estate loan. In such event, the association shall obtain a first lien upon such policy and may advance premiums thereon, and such premium advances shall be added to the unpaid balance of the loan and shall be equally secured by the first lien on the property as provided in subsection (3) of this section.

Section 8. KRS 289.461 is amended to read as follows:

(1) Savings and loan associations are authorized to make loans secured by a first lien on real estate and at a rate or rates not in excess of that provided by KRS 360.010 and 360.025.

(2) Savings and loan associations are authorized to make property improvement loans and loans to finance the purchase of mobile homes, provided that said loans comply with the "Rules and Regulations for the Federal Savings and Loan System" Subchapter C of Title 12, Code of Federal Regulations. A property improvement loan or a mobile home loan may be made, with or without a first mortgage lien on real estate as security, for such a period of time and under such contract provisions as are authorized by the above federal regulations. Where there are no interest rate limitations established under the applicable federal law or regulations, savings and loan associations making such loans shall be subject to the same interest rate limitations on loans as any bank, trust company, or combined bank and trust company under the provisions of KRS 287.215. A savings and loan association making such loans is authorized to charge and receive interest in

advance, with service charges, delinquency charges, and rebate computations *and all other terms and conditions* [~~being identical to those~~] authorized for a bank, trust company or combined bank and trust company under KRS 287.215."

Floor Amendment No. 2 to **SB 223,** by Representative Bruce:

Amend printed copy of **SB 223,** page 1, line 4, after "*credit*" by adding the following: "*other than first mortgage residential real property loans*"

Floor Amendment No. 3 to **SB 223,** page Representative LeMaster:

Amend printed copy of **SB 223,** page 2, line 16, by deleting after "any," the following: "*of interest in the event of prepayment,*"

on page 2, line 22, by deleting after "however," the following: "*if a prepayment charge*"

and on line 23, by deleting: "*is to be imposed*"

Floor Amendment No. 4 to **SB 223,** by Representative Meyer:

Amend printed copy of **SB 223,** page 1, after line 7, by adding the following:

"*(a) Receive or contract to receive and collect interest not in excess of three percent (3%) per month on that part of the unpaid principal balance not in excess of one thousand dollars ($1,000) and two percent (2%) per month on that part of the unpaid principal balance exceeding one thousand dollars ($1,000) but not exceeding three thousand dollars ($3,000); provided however, that in any loan wherein the original principal amount of the loan (face amount less recomputed charges) exceeds three thousand dollars ($3,000), the bank may not charge at a rate per month in excess of two percent (2%) per month on the unpaid balances of the principal.*"

page 1, line 8, by deleting "*(a)*" and inserting in lieu thereof "*(b)*"

page 1, line 9, by deleting line 9 in its entirety

page 1, line 10, by deleting the words "*the bank or trust company and a debtor and*"

page 2, line 13, by deleting "*(b)*" and inserting in lieu thereof "*(c)*"

Floor Amendment No. 3 to **SB 74,** by Representative LeMaster:

Amend printed copy of **SB 74,** page 3, after line 16, by deleting the following:

"SECTION 2. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions apply to this section:

(a) "First party claimant" means an individual, corporation, association, partnership or other legal entity asserting a right to payment under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such policy or contract;

(b) "Third party claimant" means any individual, corporation, association, partnership or other legal entity asserting a claim against any individual, corporation, association, partnership or other legal entity insured under an insurance policy or insurance contract of an insurer.

(2) Failure of any person to comply with the provisions of the Kentucky insurance code and regulations of the Kentucky insurance commissioner concerning unfair claims settlement practices is a violation of the Kentucky insurance code.

(3) It is an unfair claims settlement practice for any person to wilfully commit, or perform with such frequency as to indicate a general business practice, any of the following:

(a) Misrepresent pertinent facts or insurance policy provisions relating to coverages at issue;

(b) Fail to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(c) Fail to adopt and implement reasonable standards for prompt investigation of claims arising under insurance policies;

(d) Refuse to pay claims without conducting a reasonable investigation based upon all available information;

(e) Fail to affirm or deny coverage of claims within a reasonable time after completed proof of loss statements have been submitted;

(f) Not attempt in good faith to effectuate prompt, fair and equitable settlement of claims in which liability has become reasonably clear;

(g) Compel insureds to institute litigation to recover amounts due under an insurance policy by offering without justification substantially less than the amounts ultimately recovered in actions brought by such insureds;

(h) Attempt to settle a claim for less than the amount to which a reasonable person would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;

(i) Attempt to settle on the basis of an application which was altered without notice to or knowledge or consent of the insured;

(j) Make claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made;

(k) Make known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(l) Fail to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(m) Fail to promptly provide a reasonable explanation for the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(n) Commit any other act or practice in connection with claims settlement which is unfair or deceptive.

(4) The commissioner may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of this section. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(5) Any first party claimant or third party claimant who is aggrieved by the use of or employment by another person of an unfair claims settlement practice may bring an action as follows:

(a) Such an action shall be brought under the Rules of Civil Procedure in the circuit court in which the first party claimant or third party claimant resides or has his principal place of business or is doing business, or in the circuit court where the transaction in question occurred;

(b) Such an action may be brought to enjoin and to restrain any violation of this chapter and, in addition thereto, for the recovery of damages. The court may in its discretion, award actual damages and may provide for such equitable relief as it deems necessary or proper. Nothing in this subsection shall be construed to limit a person's right to seek punitive damages where appropriate;

(c) Upon the commencement of any action brought under this subsection, the plaintiff shall direct the clerk of the court to mail a copy of the complaint or other initial pleading to the commissioner of insurance and, upon entry of any judgment or decree in the action, a copy of such judgment or decree to the commissioner of insurance;

(d) In any action brought by a first party claimant or third party claimant under this subsection, the court may award, to a first party claimant or third party claimant who prevails, in addition to the relief provided in this section, reasonable attorney's fees and costs;

(e) Any order of the commissioner, injunction, judgment, or order of the court relating to an unfair claims settlement act or practice shall be prima facie evidence in an action brought under this section by a first or third party claimant that the respondent used or employed an unfair claims settlement act or practice;

(f) Any first party claimant or third party claimant bringing an action under this section must bring such action within one (1) year after any action or proceeding by the commissioner of insurance has been terminated or within five (5) years after the violation of this section, whichever is later. However, no third party claimant shall bring an action under this subsection until any action between the third party claimant and the insured is concluded.

SECTION 3. A NEW SECTION OF SUBTITLE 29 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No fraternal benefit society or insurance agent for a fraternal benefit society shall commit an unfair claims settlement practice as defined by subtitle 12 or regulations promulgated thereunder.

Section 4. KRS 304.3-200 is amended to read as follows:

(1) The commissioner may, in his discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has:

(a) Wilfully violated or wilfully failed to comply with any lawful order of the commissioner; or

(b) Wilfully violated or wilfully failed to comply with any lawful regulation of the commissioner; or

(c) Wilfully violated any provision of this code other than those for violation of which suspension or revocation is mandatory; or

(d) Failed to pay taxes on its premiums as required by law.

In lieu of such suspension or revocation, the commissioner may, in his discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than two thousand dollars ($2,000).

(2) The commissioner shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if he finds after a hearing thereon that the insurer:

(a) Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state currently or prospectively hazardous or injurious to policyholders or to the public.

(b) With such frequency as to indicate its general business practice in this state:

1. Has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person; or

2. Without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims*; or*

3. Has committed any unfair claims settlement practice as defined in subtitle 12 or regulations promulgated thereunder.

(c) Refuses to be examined, or if its directors, officers, employes or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(d) Has failed to pay any final judgment rendered against it in this state upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within thirty (30) days after the judgment became final or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

(e) Has actual knowledge by the chief executive officer or person in charge of Kentucky operations that an agent employed by the insurer has engaged or is engaging in conduct in violation of this code and the insurer has failed to report such conduct to the department.

(f) No insurer, its agents, servants, or employes shall incur any liability in connection with or as a result of any disclosure made to the commissioner of insurance pursuant to the provisions of this section.

(3) The commissioner may, in his discretion and without advance notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced in any state by the public insurance supervisory officer of such state."

Floor Amendment No. 4 to **SB 74,** by Representative LeMaster:

Amend printed copy of **SB 74,** page 3, after line 16, by adding the following:

"Section 2. KRS 304.20-020 is amended to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 304.39-110 under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom[~~; Provided That the named insured shall have the right to reject in writing such coverage; and Provided further That, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer~~].

(2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency; an insured motor vehicle with respect to which the amounts provided, under the bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such motor vehicle, are less than the limits described in KRS 304.39-110; and an insured motor vehicle to the extent that the amounts provided in the liability coverage applicable at the time of the accident is denied by the insurer writing the same.

(3) Protection against an insurer's insolvency shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

(4) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Section 3. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than ten thousand dollars ($10,000) for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than twenty thousand dollars ($20,000) for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than five thousand dollars ($5,000) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; [~~and~~]

(d) Basic reparation benefits as defined in KRS 304.39-020(2)*;*

(e) Underinsured motorist coverage, whereby subject to the terms and conditions of such coverage, the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering, less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays; and

(f) Uninsured motorist coverage as required by KRS 304.20-020.

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

Section 4. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

(3) *Notwithstanding any other provision of this subtitle, a person may stack basic reparation benefits* [~~No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident~~].

Section 5. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him.

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

(18) "Stack" or "stacking" means the accumulating of coverages when there are separate policies for each vehicle covered and the insured has paid a premium on each policy.

Section 6. KRS 304.39-320, Underinsured motorist coverage, is repealed."

Floor Amendment No. 3 to **SB 96,** by Representative LeMaster:

Amend printed copy of **SB 96,** page 2, after line 19, by adding the following:

"SECTION 2. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions apply to this section:

(a) "First party claimant" means an individual, corporation, association, partnership or other legal entity asserting a right to payment under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such policy or contract;

(b) "Third party claimant" means any individual, corporation, association, partnership or other legal entity asserting a claim against any individual, corporation, association, partnership or other legal entity insured under an insurance policy or insurance contract of an insurer.

(2) Failure of any person to comply with the provisions of the Kentucky insurance code and regulations of the Kentucky insurance commissioner concerning unfair claims settlement practices is a violation of the Kentucky insurance code.

(3) It is an unfair claims settlement practice for any person to wilfully commit, or perform with such frequency as to indicate a general business practice, any of the following:

(a) Misrepresent pertinent facts or insurance policy provisions relating to coverages at issue;

(b) Fail to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(c) Fail to adopt and implement reasonable standards for prompt investigation of claims arising under insurance policies;

(d) Refuse to pay claims without conducting a reasonable investigation based upon all available information;

(e) Fail to affirm or deny coverage of claims within a reasonable time after completed proof of loss statements have been submitted;

(f) Not attempt in good faith to effectuate prompt, fair and equitable settlement of claims in which liability has become reasonably clear;

(g) Compel insureds to institute litigation to recover amounts due under an insurance policy by offering without justification substantially less than the amounts ultimately recovered in actions brought by such insureds;

(h) Attempt to settle a claim for less than the amount to which a reasonable person would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;

(i) Attempt to settle on the basis of an application which was altered without notice to or knowledge or consent of the insured;

(j) Make claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made;

(k) Make known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(l) Fail to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(m) Fail to promptly provide a reasonable explanation for the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(n) Commit any other act or practice in connection with claims settlement which is unfair or deceptive.

(4) The commissioner may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of this section. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(5) Any first party claimant or third party claimant who is aggrieved by the use of or employment by another person of an unfair claims settlement practice may bring an action as follows:

(a) Such an action shall be brought under the Rules of Civil Procedure in the circuit court in which the first party claimant or third party claimant resides or has his principal place of business or is doing business, or in the circuit court where the transaction in question occurred;

(b) Such an action may be brought to enjoin and to restrain any violation of this chapter and, in addition thereto, for the recovery of damages. The court may in its discretion, award actual damages and may provide for such equitable relief as it deems necessary or proper. Nothing in this subsection shall be construed to limit a person's right to seek punitive damages where appropriate;

(c) Upon the commencement of any action brought under this subsection, the plaintiff shall direct the clerk of the court to mail a copy of the complaint or other initial pleading to the commissioner of insurance and, upon entry of any judgment or decree in the action, a copy of such judgment or decree to the commissioner of insurance;

(d) In any action brought by a first party claimant or third party claimant under this subsection, the court may award, to a first party claimant or third party claimant who prevails, in addition to the relief provided in this section, reasonable attorney's fees and costs;

(e) Any order of the commissioner, injunction, judgment, or order of the court relating to an unfair claims settlement act or practice shall be prima facie evidence in an action brought under this section by a first or third party claimant that the respondent used or employed an unfair claims settlement act or practice;

(f) Any first party claimant or third party claimant bringing an action under this section must bring such action within one (1) year after any action or proceeding by the commissioner of insurance has been terminated or within five (5) years after the violation of this section, whichever is later. However, no third party claimant shall bring an action under this subsection until any action between the third party claimant and the insured is concluded.

SECTION 3. A NEW SECTION OF SUBTITLE 29 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No fraternal benefit society or insurance agent for a fraternal benefit society shall commit an unfair claims settlement practice as defined by subtitle 12 or regulations promulgated thereunder.

Section 4. KRS 304.3-200 is amended to read as follows:

(1) The commissioner may, in his discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has:

(a) Wilfully violated or wilfully failed to comply with any lawful order of the commissioner; or

(b) Wilfully violated or wilfully failed to comply with any lawful regulation of the commissioner; or

(c) Wilfully violated any provision of this code other than those for violation of which suspension or revocation is mandatory; or

(d) Failed to pay taxes on its premiums as required by law.

In lieu of such suspension or revocation, the commissioner may, in his discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than two thousand dollars ($2,000).

(2) The commissioner shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if he finds after a hearing thereon that the insurer:

(a) Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state currently or prospectively hazardous or injurious to policyholders or to the public.

(b) With such frequency as to indicate its general business practice in this state:

1. Has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person; or

2. Without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims*; or*

3. Has committed any unfair claims settlement practice as defined in subtitle 12 or regulations promulgated thereunder.

(c) Refuses to be examined, or if its directors, officers, employes or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(d) Has failed to pay any final judgment rendered against it in this state upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within thirty (30) days after the judgment became final or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

(e) Has actual knowledge by the chief executive officer or person in charge of Kentucky operations that an agent employed by the insurer has engaged or is engaging in conduct in violation of this code and the insurer has failed to report such conduct to the department.

(f) No insurer, its agents, servants, or employes shall incur any liability in connection with or as a result of any disclosure made to the commissioner of insurance pursuant to the provisions of this section.

(3) The commissioner may, in his discretion and without advance notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced in any state by the public insurance supervisory officer of such state."

Floor Amendment No. 4 to **SB 96,** by Representative LeMaster:

Amend printed copy of **SB 96,** page 2, after line 19, by adding the following:

"Section 2. KRS 304.20-020 is amended to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 304.39-110 under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom[~~; Provided That the named insured shall have the right to reject in writing such coverage; and Provided further That, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer~~].

(2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency; an insured motor vehicle with respect to which the amounts provided, under the bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such motor vehicle, are less than the limits described in KRS 304.39-110; and an insured motor vehicle to the extent that the amounts provided in the liability coverage applicable at the time of the accident is denied by the insurer writing the same.

(3) Protection against an insurer's insolvency shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

(4) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Section 3. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than ten thousand dollars ($10,000) for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than twenty thousand dollars ($20,000) for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than five thousand dollars ($5,000) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; [~~and~~]

(d) Basic reparation benefits as defined in KRS 304.39-020(2)*;*

(e) Underinsured motorist coverage, whereby subject to the terms and conditions of such coverage, the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering, less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays; and

(f) Uninsured motorist coverage as required by KRS 304.20-020.

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

Section 4. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

(3) *Notwithstanding any other provision of this subtitle, a person may stack basic reparation benefits* [~~No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident~~].

Section 5. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him.

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

(18) "Stack" or "stacking" means the accumulating of coverages when there are separate policies for each vehicle covered and the insured has paid a premium on each policy.

Section 6. KRS 304.39-320, Underinsured motorist coverage, is repealed."

Floor Amendment No. 2 to **SB 97,** by Representative Perkins:

Amend printed copy of **SB 97,** on page 9, after line 21, by adding the following section:

Section 9. KRS 342.730 is amended to read as follows:
(1) Income benefits for disability shall be paid to the employe as follows:
(a) For total disability, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than one hundred percent (100%) of the state average weekly wage and not less than twenty percent (20%) of the state average weekly wage as determined in KRS 342.740 during such disability.

(b) For permanent, partial *functional impairment* [~~disability~~], sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740, multiplied by his percentage of disability caused by the injury or occupational disease as determined by "guides to the evaluation of permanent impairment," American medical association, 1977 edition, [~~or by his percentage of disability as determined under KRS 342.620 (11), whichever is greater,~~] for a maximum period, from the date the disability arises, of four hundred twenty-five (425) weeks[~~, but such benefits shall not be paid after the employe becomes eligible for normal old age benefits under the federal old age, survivors and disability insurance act~~]. Any temporary total disability period within the maximum period for permanent, partial disability benefits shall not extend the maximum period nor make payable a weekly benefit exceeding that determined in subsection (1)(a) of this section. Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

(c) For permanent, partial occupational disability, when it is determined that the provisions of KRS 342.620(11) are applicable, sixty-six and two-thirds percent (66 ⅔%) of the employe's average weekly wage but not more than seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740, multiplied by his percentage of disability caused by the injury or occupational disease. Notwithstanding any section of KRS Chapter 342 to the contrary, there shall be no minimum weekly income benefit for permanent partial disability.

(2) The period of any income benefits payable under this section on account of any injury shall be reduced by the period of income benefits paid or payable under this chapter on account of a prior injury if income benefits in both cases are for disability of the same member or function, or different parts of the same member or function, and the income benefits payable on account of the subsequent disability in whole or in part would duplicate the income benefits payable on account of the pre-existing disability.

(3) When an employe, who has sustained disability compensable under this section, and who has filed, or could have timely filed, a valid claim in his lifetime, dies from causes other than the injury before the expiration of the compensable period specified, the income benefits specified and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in this section, to and for the benefit of the persons within the classes at the time of death and in the proportions and upon the conditions specified in this section and in the order named:

(a) To the widow or widower, if there is no child under the age of 18 or incapable of self-support; or

(b) If there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

(c) If there is no such widow or widower but such a child or children, then to such child or children; or

(d) If there is no survivor in the above classes, then the parent or parents wholly or partly actually dependent for support upon the decedent, or to other wholly or partly actually dependent relatives listed in paragraph (g) of subsection (1) of KRS 342.750 or to both, in such proportions as the board may provide by regulation.

Floor Amendment No. 3 to **SB 97**, by Representative LeMaster:

Amend printed copy of **SB 97**, page 9, after line 21, by adding the following:

"SECTION 9. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions apply to this section:

(a) "First party claimant" means an individual, corporation, association, partnership or other legal entity asserting a right to payment under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such policy or contract;

(b) "Third party claimant" means any individual, corporation, association, partnership or other legal entity asserting a claim against any individual, corporation, association, partnership or other legal entity insured under an insurance policy or insurance contract of an insurer.

(2) Failure of any person to comply with the provisions of the Kentucky insurance code and regulations of the Kentucky insurance commissioner concerning unfair claims settlement practices is a violation of the Kentucky insurance code.

(3) It is an unfair claims settlement practice for any person to wilfully commit, or perform with such frequency as to indicate a general business practice, any of the following:

(a) Misrepresent pertinent facts or insurance policy provisions relating to coverages at issue;

(b) Fail to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(c) Fail to adopt and implement reasonable standards for prompt investigation of claims arising under insurance policies;

(d) Refuse to pay claims without conducting a reasonable investigation based upon all available information;

(e) Fail to affirm or deny coverage of claims within a reasonable time after completed proof of loss statements have been submitted;

(f) Not attempt in good faith to effectuate prompt, fair and equitable settlement of claims in which liability has become reasonably clear;

(g) Compel insureds to institute litigation to recover amounts due under an insurance policy by offering without justification substantially less than the amounts ultimately recovered in actions brought by such insureds;

(h) Attempt to settle a claim for less than the amount to which a reasonable person would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;

(i) Attempt to settle on the basis of an application which was altered without notice to or knowledge or consent of the insured;

(j) Make claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made;

(k) Make known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(l) Fail to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(m) Fail to promptly provide a reasonable explanation for the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(n) Commit any other act or practice in connection with claims settlement which is unfair or deceptive.

(4) The commissioner may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of this section. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(5) Any first party claimant or third party claimant who is aggrieved by the use of or employment by another person of an unfair claims settlement practice may bring an action as follows:

(a) Such an action shall be brought under the Rules of Civil Procedure in the circuit court in which the first party claimant or third party claimant resides or has his principal place of business or is doing business, or in the circuit court where the transaction in question occurred;

(b) Such an action may be brought to enjoin and to restrain any violation of this chapter and, in addition thereto, for the recovery of damages. The court may in its discretion, award actual damages and

may provide for such equitable relief as it deems necessary or proper. Nothing in this subsection shall be construed to limit a person's right to seek punitive damages where appropriate;

(c) Upon the commencement of any action brought under this subsection, the plaintiff shall direct the clerk of the court to mail a copy of the complaint or other initial pleading to the commissioner of insurance and, upon entry of any judgment or decree in the action, a copy of such judgment or decree to the commissioner of insurance;

(d) In any action brought by a first party claimant or third party claimant under this subsection, the court may award, to a first party claimant or third party claimant who prevails, in addition to the relief provided in this section, reasonable attorney's fees and costs;

(e) Any order of the commissioner, injunction, judgment, or order of the court relating to an unfair claims settlement act or practice shall be prima facie evidence in an action brought under this section by a first or third party claimant that the respondent used or employed an unfair claims settlement act or practice;

(f) Any first party claimant or third party claimant bringing an action under this section must bring such action within one (1) year after any action or proceeding by the commissioner of insurance has been terminated or within five (5) years after the violation of this section, whichever is later. However, no third party claimant shall bring an action under this subsection until any action between the third party claimant and the insured is concluded.

SECTION 10. A NEW SECTION OF SUBTITLE 29 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No fraternal benefit society or insurance agent for a fraternal benefit society shall commit an unfair claims settlement practice as defined by subtitle 12 or regulations promulgated thereunder.

Section 11. KRS 304.3-200 is amended to read as follows:

(1) The commissioner may, in his discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has:

(a) Wilfully violated or wilfully failed to comply with any lawful order of the commissioner; or

(b) Wilfully violated or wilfully failed to comply with any lawful regulation of the commissioner; or

(c) Wilfully violated any provision of this code other than those for violation of which suspension or revocation is mandatory; or

(d) Failed to pay taxes on its premiums as required by law.

In lieu of such suspension or revocation, the commissioner may, in his discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than two thousand dollars ($2,000).

(2) The commissioner shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if he finds after a hearing thereon that the insurer:

(a) Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state currently or prospectively hazardous or injurious to policyholders or to the public.

(b) With such frequency as to indicate its general business practice in this state:

1. Has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person; or

2. Without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims*; or*

3. Has committed any unfair claims settlement practice as defined in subtitle 12 or regulations promulgated thereunder.

(c) Refuses to be examined, or if its directors, officers, employes or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(d) Has failed to pay any final judgment rendered against it in this state upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within thirty (30) days after the judgment became final or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

(e) Has actual knowledge by the chief executive officer or person in charge of Kentucky operations that an agent employed by the insurer has engaged or is engaging in conduct in violation of this code and the insurer has failed to report such conduct to the department.

(f) No insurer, its agents, servants, or employes shall incur any liability in connection with or as a result of any disclosure made to the commissioner of insurance pursuant to the provisions of this section.

(3) The commissioner may, in his discretion and without advance notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced in any state by the public insurance supervisory officer of such state."

Floor Amendment No. 1 to **SB 284,** by Representative Burnette:

Amend printed copy of **SB 284,** page 3, line 11, by inserting after the word "*county*" the following: "*containing a city of the first class*"

and on line 18, by inserting before the word "*may*" the following: "*containing a city of the first class or any urban county government*"

Floor Amendment No. 2 to **SB 284,** by Representative Haering:

Amend printed copy of **SB 284,** page 56, line 22, after the words "Section 38" by inserting the following:

"KRS 117.075 is amended to read as follows:

(1) Any qualified voter who has not been declared incompetent by a court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the polls on election day may vote in the following manner. At least seven (7) days prior to the date of the election, he shall present to the clerk by mail his verified statement that his inability to appear is due to age, infirmity, or illness, [~~and a verified statement of a physician corroborating the voter's statement~~] and indicating whether or not the condition is temporary, applying to the instant election only, or is expected to be a continuing one. If the condition is indicated as being continuing the voter need not file further statements of disability. For ensuing elections the voter may make reference to the statement previously filed when applying for a special ballot. The county clerk shall maintain a file of all such statements. Upon receipt of the verified statement, the clerk shall immediately mail to the voter a special ballot, and envelopes, and the voter shall cast his vote in the same manner as provided for the absent voter in KRS 117.335.

(2) Special ballots cast by disabled persons shall be tabulated in the same manner as are special ballots cast by absent voters.

Section 39. KRS 117.075, 1980 Acts, Chapter 396, Section 61, effective July 1, 1982, is amended to read as follows:

(1) Any qualified voter who has not been declared mentally disabled by a court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the polls on election day

may vote in the following manner. At least seven (7) days prior to the date of the election, he shall present to the clerk by mail his verified statement that his inability to appear is due to age, infirmity, or illness, [~~and a verified statement of a physician corroborating the voter's statement~~] and indicating whether or not the condition is temporary, applying to the instant election only, or is expected to be a continuing one. If the condition is indicated as being continuing the voter need not file further statements of disability. For ensuing elections the voter may make reference to the statement previously filed when applying for a special ballot. The county clerk shall maintain a file of all such statements. Upon receipt of the verified statement, the clerk shall immediately mail to the voter a special ballot, and envelopes, and the voter shall cast his vote in the same manner as provided for the absent voter in KRS 117.087.

(2) Special ballots cast by disabled persons shall be tabulated in the same manner as are special ballots cast by absent voters.

Section 40."

and by renumbering subsequent sections accordingly.

Floor Amendment No. 1 to **SB 300,** by Representative Bruce:

Amend printed copy of **SB 300,** page 16, lines 18 and 19, by deleting the words : "*governor shall appoint a chairman from the consumer members of the board*"

and inserting in lieu thereof "*board shall elect a chairman from its members*"

Floor Title Amendment to **SB 316,** by Representative Clarke:

Amend printed copy of **SB 316,** page 1, title, by amending the title to read as follows: "AN ACT relating to revenue and taxation."

Floor Amendment No. 1 to **SB 316,** by Representative Clarke:

Amend printed copy of **SB 316,** page 19, after line 25, by inserting the following:

"Section 13. KRS 350.139 is amended to read as follows:

[~~(1)~~] All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

[~~(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit to strip mine to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.~~]

Section 14. KRS 350.139, 1980 Acts, Chapter 377, Section 4, operative on approval of primacy, is amended to read as follows:

[~~(1)~~] All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees and civil penalties shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

[~~(2) The state treasurer shall on or before August 1 of each year transfer fifty percent (50%) of all funds paid during the preceding fiscal year as fees for the issuance of any permit for surface coal mining operations to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.~~]"

and on page 19, line 26, by renumbering "Section 13" to read "Section 15".

Floor Amendment No. 1 to **SB 329,** by Representative Bruce:

Amend printed copy of **SB 329,** page 7, line 23, by deleting Section 5 in its entirety;

and on page 8, line 11, before the period, by deleting "6" and inserting in lieu thereof "5";

and on page 9, line 4, before the period, by deleting "7" and inserting in lieu thereof "6";

and on page 9, line 12, before the period, by deleting "8" and inserting in lieu thereof "7".

Floor Title Amendment to **SB 340,** by Representative Riner:

Amend printed copy of **SB 340,** page 1, title, to delete the same and to insert in lieu thereof: "AN ACT relating to crimes and punishments."

Floor Amendment No. 1 to **SB 340,** by Representative Riner:

Amend printed copy of **SB 340,** page 2, below line 12, to add the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful transaction with a minor in the first degree when he knowingly induces, assists, or causes a minor to engage in illegal sexual activity except those offenses involving minors in KRS Chapter 531 and KRS 529.040(1)(b).

(2) Unlawful transaction with a minor in the first degree is a Class C felony.

SECTION 3. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful transaction with a minor in the second degree when he knowingly induces, assists, or causes a minor to engage in illegal controlled substances activity or any other criminal activity which constitutes a felony.

(2) Unlawful transaction with a minor in the second degree is a Class D felony.

Section 4. KRS 530.070 is amended to read as follows:

(1) A person is guilty of unlawful transaction with a minor *in the third degree* when:

(a) Acting other than as a retail licensee, he knowingly sells, gives, purchases or procures any alcoholic or malt beverage in any form to or for a minor. The defendant may prove in exculpation that the sale was induced by the use of false, fraudulent, or altered identification papers or other documents and that the appearance and character of the purchaser were such that his age could not have been ascertained by any other means and that the purchaser's appearance and character indicated strongly that he was of legal age to purchase alcoholic beverages. This subsection does not apply to a parent or guardian of the minor; or

(b) He knowingly induces, assists, or causes a minor to engage in *any other criminal activity constituting a misdemeanor or violation* [~~illegal sexual activity except those offenses involving minors in KRS Chapter 531 and KRS 529.040(1)(b), illegal controlled substances activity, illegal gambling activity or any other criminal activity~~]; or

(c) He knowingly induces, assists or causes a minor to become a habitual truant; or

(d) He persistently and knowingly induces, assists or causes a minor to disobey his parent or guardian.

(2) Unlawful transaction with a minor *in the third degree* is a Class A misdemeanor."

Floor Title Amendment to **SB 345,** by Representative Riner:

Amend printed copy of **SB 345,** page 1, title, on page 1, by deleting "AN ACT relating to racketeering." and inserting in lieu thereof: "AN ACT relating to crimes and punishments."

Floor Amendment No. 1 to **SB 345,** by Representative Riner:

Amend printed copy of **SB 345,** on page 43, after line 6, by inserting the following:

"SECTION 9. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful transaction with a minor in the first degree when he knowingly induces, assists, or causes a minor to engage in illegal sexual activity except those offenses involving minors in KRS Chapter 531 and KRS 529.040(1)(b).

(2) Unlawful transaction with a minor in the first degree is a Class C felony.

SECTION 10. A NEW SECTION OF KRS CHAPTER 530 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful transaction with a minor in the second degree when he knowingly induces, assists, or causes a minor to engage in illegal controlled substances activity or any other criminal activity which constitutes a felony.

(2) Unlawful transaction with a minor in the second degree is a Class D felony.

Section 11. KRS 530.070 is amended to read as follows:

(1) A person is guilty of unlawful transaction with a minor *in the third degree* when:

(a) Acting other than as a retail licensee, he knowingly sells, gives, purchases or procures any alcoholic or malt beverage in any form to or for a minor. The defendant may prove in exculpation that the sale was induced by the use of false, fraudulent, or altered identification papers or other documents and that the appearance and character of the purchaser were such that his age could not have been ascertained by any other means and that the purchaser's appearance and character indicated strongly that he was of legal age to purchase alcoholic beverages. This subsection does not apply to a parent or guardian of the minor; or

(b) He knowingly induces, assists, or causes a minor to engage in *any other criminal activity constituting a misdemeanor or violation* [~~illegal sexual activity except those offenses involving minors in KRS Chapter 531 and KRS 529.040(1)(b), illegal controlled substances activity, illegal gambling activity or any other criminal activity~~]; or

(c) He knowingly induces, assists or causes a minor to become a habitual truant; or

(d) He persistently and knowingly induces, assists or causes a minor to disobey his parent or guardian.

(2) Unlawful transaction with a minor *in the third degree* is a Class A misdemeanor."

and on page 43, line 7, changing "SECTION 9" to "SECTION 12"

and on page 43, line 9, by inserting before "This" the following: "*Sections 1 through 8 of*"

Floor Amendment No. 3 to **SB 348,** by Representative Morris:

Amend printed copy of amendment 1 to **SB 348,** on page 9, line 18, by deleting "*by imprisonment in the county jail for not less*"

and on page 9, line 19, by deleting "*than two (2) days*"

and on page 10, line 2, by deleting "*The jail sentence shall not be suspended by the*" and on page 10, line 3, by deleting "*court*"

Floor Amendment No. 1 to **SB 352,** by Representative Morris:

Amend printed copy of **SB 352,** on page 3, following line 23, by inserting the following:

"SECTION 2. A NEW SECTION OF KRS 70.540 TO 70.580 IS CREATED TO READ AS FOLLOWS:

(1) Except in counties containing a city of the first class, or counties containing an urban-county government, the fiscal court of any county in which there is an established county police force pursuant to KRS 70.540, may provide for the establishment or abolishment of an auxiliary county police force to perform duties within the county upon such terms and conditions as the fiscal court deems necessary and proper. The fiscal court shall prescribe the number of members comprising such auxiliary county police force, and prescribe rules and regulations that shall govern the powers and duties of the members of such auxiliary county police force, unless otherwise provided in subsection (2) of this section.

(2) A member of an auxiliary county police force shall:

(a) Be appointed by the county judge/executive and serve at his pleasure;

(b) Not be construed to be within the definition and application of the terms "employe" or "patrolman" as provided in KRS 70.580;

(c) Be answerable and under the direction of the county judge/executive, except when the county judge/executive delegates such authority to the chief officer of the county police force;

(d) Not receive any compensation or benefits for his time or service, except that the fiscal court may provide for the payment of any reasonable and necessary expenses incurred by a member of the auxiliary county police force in the conduct of his official duties; and

(e) Be appointed regardless of race, color, creed or position.

(3) Before any person is appointed as a member of an auxiliary county police force, he shall give bond to the county judge/executive in an amount as prescribed by the fiscal court. The fiscal court may authorize the premium therefor to be paid out of the general funds of the county."

Floor Amendment No. 4 to **SB 97,** by Representative LeMaster:

Amend printed copy of **SB 97,** page 9, after line 21, by adding the following:

"Section 9. KRS 304.20-020 is amended to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 304.39-110 under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom[~~; Provided That the named insured shall have the right to reject in writing such coverage; and Provided further That, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer~~].

(2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency; an insured motor vehicle with respect to which the amounts provided, under the bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such motor vehicle, are less than the limits described

in KRS 304.39-110; and an insured motor vehicle to the extent that the amounts provided in the liability coverage applicable at the time of the accident is denied by the insurer writing the same.

(3) Protection against an insurer's insolvency shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

(4) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Section 10. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than ten thousand dollars ($10,000) for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than twenty thousand dollars ($20,000) for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than five thousand dollars ($5,000) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; [~~and~~]

(d) Basic reparation benefits as defined in KRS 304.39-020(2)*;*

(e) Underinsured motorist coverage, whereby subject to the terms and conditions of such coverage, the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering, less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays; and

(f) Uninsured motorist coverage as required by KRS 304.20-020.

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

Section 11. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering

the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

(3) *Notwithstanding any other provision of this subtitle, a person may stack basic reparation benefits* [~~No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident~~].

Section 12. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him.

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

(18) "Stack" or "stacking" means the accumulating of coverages when there are separate policies for each vehicle covered and the insured has paid a premium on each policy.

Section 13. KRS 304.39-320, Underinsured motorist coverage, is repealed."

Floor Amendment No. 1 to **SB 218**, by Representative White:

Amend printed copy of **SB 218**, page 20, line 18, by adding the following after the word "*operation.*": "*The department shall not consider haul roads or access roads as part of the affected area for permitting said operation, if such haul road or access road is permitted, bonded, properly constructed and maintained by an independent permitee, and if the surface effect of said underground coal mine (excluding haul or access roads) is less than two (2) acres.*"

Floor Amendment No. 1 to Committee Substitute to **SB 243**, by Representative Nett:

Amend printed copy of Committee Substitute to Senate Bill 243, page 9, line 20, by inserting after the comma following the word "fund", the following: "*interest earned from investments of imprest cash funds and funds in the trust and revolving fund for each state public university shall be credited to the appropriate institutional account,*"

and on page 40, line 2, by deleting the word "*foundation,*".

Floor Amendment No. 2 to Committee Substitute to **SB 243**, by Representative Thomason:

Amend printed copy of Committee Substitute to **SB 243**, on page 7, line 10, by deleting "*, and two appointees of the governor selected*"

and on page 7, by deleting lines 11 and 12 in their entirety and inserting in lieu thereof the following: "*, one (1) person appointed by the speaker of the house of representatives and one (1) person appointed by the president pro tempore of the senate.*"

and on page 7, line 13, by deleting "*recommended by the legislative*"

and on page 7, line 14, by deleting "*research commission*" and inserting in lieu thereof: "*appointed by the speaker of the house of representatives and the president pro tempore of the senate*"

and on page 7, by deleting lines 19, 20, 21 in their entirety and inserting in lieu thereof: "*(4) Three (3) members of the commission shall constitute a quorum. Any three (3) members of the commission may call a meeting.*"

(5) The terms of office of the individuals appointed by the speaker of the house of representatives and the presiding pro tempore of the senate shall expire four (4) years from the date of their appointment."

and beginning on page 5, line 22, renumbering the remaining subsections accordingly.

Floor Amendment No. 2 to **SB 252**, by Representative LeMaster:

Amend printed copy of **SB 252**, page 11, after line 18, by adding the following:

"SECTION 11. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions apply to this section:

(a) "First party claimant" means an individual, corporation, association, partnership or other legal entity asserting a right to payment under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such policy or contract;

(b) "Third party claimant" means any individual, corporation, association, partnership or other legal entity asserting a claim against any individual, corporation, association, partnership or other legal entity insured under an insurance policy or insurance contract of an insurer.

(2) Failure of any person to comply with the provisions of the Kentucky insurance code and regulations of the Kentucky insurance commissioner concerning unfair claims settlement practices is a violation of the Kentucky insurance code.

(3) It is an unfair claims settlement practice for any person to wilfully commit, or perform with such frequency as to indicate a general business practice, any of the following:

(a) Misrepresent pertinent facts or insurance policy provisions relating to coverages at issue;

(b) Fail to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(c) Fail to adopt and implement reasonable standards for prompt investigation of claims arising under insurance policies;

(d) Refuse to pay claims without conducting a reasonable investigation based upon all available information;

(e) Fail to affirm or deny coverage of claims within a reasonable time after completed proof of loss statements have been submitted;

(f) Not attempt in good faith to effectuate prompt, fair and equitable settlement of claims in which liability has become reasonably clear;

(g) Compel insureds to institute litigation to recover amounts due under an insurance policy by offering without justification substantially less than the amounts ultimately recovered in actions brought by such insureds;

(h) Attempt to settle a claim for less than the amount to which a reasonable person would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;

(i) Attempt to settle on the basis of an application which was altered without notice to or knowledge or consent of the insured;

(j) Make claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made;

(k) Make known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(l) Fail to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(m) Fail to promptly provide a reasonable explanation for the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(n) Commit any other act or practice in connection with claims settlement which is unfair or deceptive.

(4) The commissioner may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of this section. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(5) Any first party claimant or third party claimant who is aggrieved by the use of or employment by another person of an unfair claims settlement practice may bring an action as follows:

(a) Such an action shall be brought under the Rules of Civil Procedure in the circuit court in which the first party claimant or third party claimant resides or has his principal place of business or is doing business, or in the circuit court where the transaction in question occurred;

(b) Such an action may be brought to enjoin and to restrain any violation of this chapter and, in addition thereto, for the recovery of damages. The court may in its discretion, award actual damages and

may provide for such equitable relief as it deems necessary or proper. Nothing in this subsection shall be construed to limit a person's right to seek punitive damages where appropriate;

(c) Upon the commencement of any action brought under this subsection, the plaintiff shall direct the clerk of the court to mail a copy of the complaint or other initial pleading to the commissioner of insurance and, upon entry of any judgment or decree in the action, a copy of such judgment or decree to the commissioner of insurance;

(d) In any action brought by a first party claimant or third party claimant under this subsection, the court may award, to a first party claimant or third party claimant who prevails, in addition to the relief provided in this section, reasonable attorney's fees and costs;

(e) Any order of the commissioner, injunction, judgment, or order of the court relating to an unfair claims settlement act or practice shall be prima facie evidence in an action brought under this section by a first or third party claimant that the respondent used or employed an unfair claims settlement act or practice;

(f) Any first party claimant or third party claimant bringing an action under this section must bring such action within one (1) year after any action or proceeding by the commissioner of insurance has been terminated or within five (5) years after the violation of this section, whichever is later. However, no third party claimant shall bring an action under this subsection until any action between the third party claimant and the insured is concluded.

SECTION 12. A NEW SECTION OF SUBTITLE 29 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No fraternal benefit society or insurance agent for a fraternal benefit society shall commit an unfair claims settlement practice as defined by subtitle 12 or regulations promulgated thereunder.

Section 13. KRS 304.3-200 is amended to read as follows:

(1) The commissioner may, in his discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has:

(a) Wilfully violated or wilfully failed to comply with any lawful order of the commissioner; or

(b) Wilfully violated or wilfully failed to comply with any lawful regulation of the commissioner; or

(c) Wilfully violated any provision of this code other than those for violation of which suspension or revocation is mandatory; or

(d) Failed to pay taxes on its premiums as required by law.

In lieu of such suspension or revocation, the commissioner may, in his discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than two thousand dollars ($2,000).

(2) The commissioner shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if he finds after a hearing thereon that the insurer:

(a) Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state currently or prospectively hazardous or injurious to policyholders or to the public.

(b) With such frequency as to indicate its general business practice in this state:

1. Has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person; or

2. Without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims*; or*

3. Has committed any unfair claims settlement practice as defined in subtitle 12 or regulations promulgated thereunder.

(c) Refuses to be examined, or if its directors, officers, employes or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(d) Has failed to pay any final judgment rendered against it in this state upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within thirty (30) days after the judgment became final or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

(e) Has actual knowledge by the chief executive officer or person in charge of Kentucky operations that an agent employed by the insurer has engaged or is engaging in conduct in violation of this code and the insurer has failed to report such conduct to the department.

(f) No insurer, its agents, servants, or employes shall incur any liability in connection with or as a result of any disclosure made to the commissioner of insurance pursuant to the provisions of this section.

(3) The commissioner may, in his discretion and without advance notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced in any state by the public insurance supervisory officer of such state."

Floor Amendment No. 3 to **SB 252,** by Representative LeMaster:

"Section 11. KRS 304.20-020 is amended to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 304.39-110 under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom[~~; Provided That the named insured shall have the right to reject in writing such coverage; and Provided further That, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer~~].

(2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency; an insured motor vehicle with respect to which the amounts provided, under the bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such motor vehicle, are less than the limits described in KRS 304.39-110; and an insured motor vehicle to the extent that the amounts provided in the liability coverage applicable at the time of the accident is denied by the insurer writing the same.

(3) Protection against an insurer's insolvency shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

(4) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof,

be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Section 12. KRS 304.39-110 is amended to read as follows:

(1) The requirement of security for payment of tort liabilities is fulfilled by providing:

(a) Liability coverage of not less than ten thousand dollars ($10,000) for all damages arising out of bodily injury sustained by any one person as a result of any one accident, and not less than twenty thousand dollars ($20,000) for all damages arising out of bodily injury sustained as a result of any single accident caused by accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(b) Liability coverage of not less than five thousand dollars ($5,000) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;

(c) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; [~~and~~]

(d) Basic reparation benefits as defined in KRS 304.39-020(2)*;*

(e) Underinsured motorist coverage, whereby subject to the terms and conditions of such coverage, the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of injury due to a motor vehicle accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering, less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays; and

(f) Uninsured motorist coverage as required by KRS 304.20-020.

(2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.

(3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a), (b) and (c) of this section.

Section 13. KRS 304.39-050 is amended to read as follows:

(1) The basic reparation insurance applicable to bodily injury to which this subtitle applies is the security covering the vehicle occupied by the injured person at the time of the accident or, if the injured person is a pedestrian, the security covering the vehicle which struck such pedestrian. If the reparation obligor providing such insurance fails to make payment for loss within thirty (30) days after receipt of reasonable proof of the fact and the amount of loss sustained, the injured person shall be entitled to payment under any contract of basic reparation insurance under which he is a basic reparation insured and the insurer making such payments shall be entitled to full reimbursement from the reparation obligor providing the security covering the vehicle. A pedestrian, as used herein, means any person who is not making "use of a motor vehicle" at the time his injury occurs.

(2) If there is no security covering the vehicle, any contract of basic reparation insurance under which the injured person is a basic reparation insured shall apply.

(3) *Notwithstanding any other provision of this subtitle, a person may stack basic reparation benefits* [~~No person shall recover basic reparation benefits from more than one reparation obligor as a result of the same accident, except as provided in KRS 304.39-140(4) nor in excess of ten thousand dollars ($10,000) as the result of the same accident~~].

Section 14. KRS 304.39-020 is amended to read as follows:

As used in this subtitle:

(1) "Added reparation benefits" mean benefits provided by optional added reparation insurance.

(2) "Basic reparation benefits" mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject, where applicable, to the limits, deductibles, exclusions, disqualifications and other conditions provided in this subtitle. The maximum amount of basic reparation benefits payable for all economic loss resulting from injury to any one person as the result of one (1) accident shall be ten thousand dollars ($10,000), regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits. Basic reparation benefits consist of one (1) or more of the elements defined as "loss."

(3) "Basic reparation insured" means:

(a) A person identified by name as an insured in a contract of basic reparation insurance complying with this subtitle; and

(b) While residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of basic reparation insurance complying with this subtitle: a spouse or other relative of a named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(4) "Injury" and "injury to person" mean bodily harm, sickness, disease, or death.

(5) "Loss" means accrued economic loss consisting only of medical expense, work loss, replacement services loss, and, if injury causes death, survivor's economic loss and survivor's replacement services loss. Noneconomic detriment is not loss. However, economic loss is loss although caused by pain and suffering or physical impairment.

(a) "Medical expense" means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, and other remedial treatment and care. "Medical expense" may include non-medical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge not in excess of one thousand dollars ($1,000) per person for expenses in any way related to funeral, cremation, and burial. It does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semi-private accommodations, unless intensive care is medically required. Medical expense shall include all healing arts professions licensed by the Commonwealth of Kentucky. There shall be a presumption that any medical bill submitted is reasonable.

(b) "Work loss" means loss of income from work the injured person would probably have performed if he had not been injured, and expenses reasonably incurred by him in obtaining services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him.

(c) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

(d) "Survivor's economic loss" means loss after decedent's death of contributions of things of economic value to his survivors, not including services they would have received from the decedent if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of decedent's death.

(e) "Survivor's replacement services loss" means expenses reasonably incurred by survivors after decedent's death in obtaining ordinary and necessary services in lieu of those the decedent would have performed for their benefit if he had not suffered the fatal injury, less expenses of the survivors avoided by reason of the decedent's death and not subtracted in calculating survivor's economic loss.

(6) "Use of a motor vehicle" means any utilization of the motor vehicle as a vehicle including occupying, entering into and alighting from it. It does not include (i) conduct within the course of a business

of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises, or (ii) conduct in the course of loading and unloading the vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(7) "Motor vehicle" means any vehicle which transports persons or property upon the public highways of the Commonwealth, propelled by other than muscular power except road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails and such vehicles as are propelled by electrical power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the said limits of any municipality. Motor vehicle shall not mean moped as defined in this section.

(8) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(9) "Public roadway" means a way open to the use of the public for purposes of motor vehicle travel.

(10) "Net loss" means loss less benefits or advantages, from sources other than basic and added reparation insurance, required to be subtracted from loss in calculating net loss.

(11) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damages recoverable under the tort law of this Commonwealth. The term does not include punitive or exemplary damages.

(12) "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another person. The term does not include a lessee under a lease not intended as security.

(13) "Reparation obligor" means an insurer, self-insurer, or obligated government providing basic or added reparation benefits under this subtitle.

(14) "Survivor" means a person identified in KRS 411.130 as one entitled to receive benefits by reason of the death of another person.

(15) A "user" means a person who resides in a household in which any person owns or maintains a motor vehicle.

(16) "Maintaining a motor vehicle" means having legal custody, possession or responsibility for a motor vehicle by one other than an owner or operator.

(17) "Security" means any continuing undertaking complying with this subtitle, for payment of tort liabilities, basic reparation benefits, and all other obligations imposed by this subtitle.

(18) "Stack" or "stacking" means the accumulating of coverages when there are separate policies for each vehicle covered and the insured has paid a premium on each policy.

Section 16. KRS 304.39-320, Underinsured motorist coverage, is repealed."

Floor Title Amendment to **SB 264,** by Representative Clapp:

Amend printed copy of **SB 264,** page 1, title, by deleting the title in its entirety and substituting therefor the following: "AN ACT relating to local government."

Floor Amendment No. 1 to **SB 264,** by Representative Clapp:

Amend printed copy of **SB 264,** page 4, after line 5, by inserting the following:

"Section 3. KRS 177.369 is amended to read as follows:

(1) On and after the fiscal year beginning July 1, 1980 and each fiscal year thereafter, the department of finance shall pay to each incorporated city and county containing an unincorporated urban place its pro rata share of any funds appropriated and any unexpended balance of funds appropriated for construction, reconstruction, and maintenance of urban roads and streets. During each fiscal year, the department of finance shall make quarterly payments to each such city and county of the funds set aside and allocated pursuant to KRS 177.365 and 177.366.

(2) The expenditure of any money received by the city or county pursuant to the provisions of subsection (1) of this section shall be made solely for the purpose of construction, reconstruction, and maintenance of urban roads and streets set forth in KRS 177.365.

(3) Any city or county which has received any money pursuant to the provisions of subsection (1) of this section shall, *as soon as possible and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause* [~~retain~~] *all records* [~~of the~~] *and the expenditure of all such monies* [~~money for a period of five (5) years and said records shall be subject~~] to *be audited* [~~audit~~] by the *auditor of public accounts or a certified public accountant. Upon completion of such audits, the city or county shall forward a copy of the audit report to the* department of finance [~~for said period of time in order to determine the proper expenditure of said money for the purposes required by KRS 177.365~~].

Floor Amendment No. 1 to **SB 268,** by Representative Burch:

Amend printed copy of **SB 268,** page 1, after line 18, by adding the following:

"Section 2. KRS 243.160 is amended to read as follows:

A wholesaler's license shall authorize the licensee to purchase, receive, store or possess distilled spirits and wine, to sell them at wholesale, from the licensed premises only, and to transport from the licensed premises for himself only any alcoholic beverage which his license authorizes him to sell, Provided That he so transport such beverages in the manner provided for manufacturers in KRS 243.120, *except that imported malt beverages may be transported with distilled spirits and wine,* provided further, that he is to be permitted to transport distilled spirits and wine from a manufacturer's warehouse or from other licensed wholesalers' premises to his licensed premises, if consumer's spirits stamps have been properly affixed to the spirits or wine which he so transports."

Floor Amendment No. 1 to Committee Substitute to **SB 279,** by Representative Blevins:

Amend printed copy of Committee Substitute to **SB 279,** on page 3, line 23, by deleting "*nine (9)*" and inserting in lieu thereof "*six (6)*"; and

on page 3, lines 23 and 24, by deleting "*three (3)*" and inserting in lieu thereof "*five (5)*"; and

on page 4, line 2, by deleting "*eight (8)*" and inserting in lieu thereof "*five (5)*"; and

on page 4, line 7, by deleting "*two (2)*" the first time and the third time it appear on that line and inserting in lieu thereof "*one (1)*"; and

on page 4, line 8, by deleting "*three (3)*" the second time it appears on that line and inserting in lieu thereof "*two (2)*"; and

on page 4, line 16, by deleting "*Two (2) members*" and inserting in lieu thereof "*One (1) member*"; and

on page 4, line 20, by deleting "*Two (2) members*" and inserting in lieu thereof "*One (1) member*"; and

on page 4, by deleting lines 25 and 26 in their entirety; and

on page 5, line 1, by deleting "*Three (3)*" and inserting in lieu thereof "*Five (5)*"; and

on page 5, line 4, by deleting "The" as it appears after the period "." and inserting in lieu thereof "*Three (3) of the*"; and

on page 5, line 8, following the word "*county.*" by inserting the following:

"*Two (2) of the temporary members of the board shall be appointed by the mayor of the largest city in the county where the facility is proposed to be located and shall be bona fide residents of the city.*"; and on page 6, line 18, by changing "*seven (7)*" to read "*six (6)*"; and

on page 6, line 21, by changing "*seven (7)*" to read "*six (6)*"; and

on page 6, line 24, by changing "*seven (7)*" to read "*six (6)*".

Floor Amendment No. 2 to **SB 279,** by Representative Blevins:

Amend printed copy of **SB 279,** on page 3, line 23, by deleting "*nine (9)*" and inserting in lieu thereof "*six (6)*"; and

on page 3, lines 23 and 24, by deleting "*three (3)*" and inserting in lieu thereof "*five (5)*"; and

on page 4, line 2, by deleting "*eight (8)*" and inserting in lieu thereof "*five (5)*"; and

on page 4, line 7, by deleting "*two (2)*" the first time and the third time it appears on that line and inserting in lieu thereof "*one (1)*"; and

on page 4, line 8, by deleting "*three (3)*" the second time it appears on that line and inserting in lieu thereof "*two (2)*"; and

on page 4, line 16, by deleting "*Two (2) members*" and inserting in lieu thereof "*One (1) member*"; and

on page 4, line 20, by deleting "*Two (2) members*" and inserting in lieu thereof "*One (1) member*"; and

on page 4, by deleting lines 25 and 26 in their entirety; and

on page 5, line 1, by deleting "*Three (3)*" and inserting in lieu thereof "*Five (5)*"; and

on page 5, line 4, by deleting "The" as it appears after the period "." and inserting in lieu thereof "*Three (3) of the*"; and

on page 5, line 8, following the word "*county.*" by inserting the following:

"*Two (2) of the temporary members of the board shall be appointed by the mayor of the largest city in the county where the facility is proposed to be located and shall be bona fide residents of the city.*"; and

on page 6, line 18, by changing "*seven (7)*" to read "*six (6)*"; and

on page 6, line 21, by changing "*seven (7)*" to read "*six (6)*"; and

on page 6, line 24, by changing "*seven (7)*" to read "*six (6)*".

Floor Amendment No. 5 to Committee Substitute to **HB 515,** by Representative Pearman:

Amend printed copy of Committee Substitute to **HB 515,** page 39, line 20, by inserting the following:

Section 20. KRS 140.080 is amended to read as follows:

(1) The following exemptions chargeable against the lowest bracket or brackets of inheritable interests shall be free from any tax under the preceding provisions of this chapter:

(a) Surviving spouse, *$150,000* [~~$50,000~~];

(b) 1. Infant child by blood or adoption, *$50,000* [~~$20,000~~];

2. Child by blood who has been declared incompetent by a court of competent jurisdiction, *$50,000* [~~$20,000~~]; or a

3. Child adopted during infancy who has been declared incompetent by a court of competent jurisdiction, *$50,000* [~~$20,000~~];

(c) 1. Parent, *$20,000* [~~$5,000~~];

2. Child by blood, *$50,000* [~~$5,000~~];

3. Stepchild, *$50,000* [~~$5,000~~];

4. Child adopted during infancy, *$50,000* [~~$5,000~~]; or a

5. Grandchild who is the issue of a child by blood, or of a stepchild or of a child adopted during infancy, *$20,000* [~~$5,000~~];

(d) All persons of Class B, under KRS 140.070, *$5,000* [~~$1,000~~]; and

(e) All persons of Class C, under KRS 140.070, *$5,000* [~~$500~~].

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

Section 21. KRS 140.080, 1980 Acts Chapter 396, Section 66, effective July 1, 1982, is amended to read as follows:

(1) The following exemptions chargeable against the lowest bracket or brackets of inheritable interests shall be free from any tax under the preceding provisions of this chapter:

(a) Surviving spouse, *$150,000* [~~$50,000~~];

(b) 1. Infant child by blood or adoption, *$50,000* [~~$20,000~~];

2. Child by blood who has been declared mentally disabled by a court of competent jurisdiction, *$50,000* [~~$20,000~~]; or a

3. Child adopted during infancy who has been declared mentally disabled by a court of competent jurisdiction, *$50,000* [~~$20,000~~];

(c) 1. Parent, *$20,000* [~~$5,000~~];

2. Child by blood, *$50,000* [~~$5,000~~];

3. Stepchild, *$50,000* [~~$5,000~~];

4. Child adopted during infancy, *$50,000* [~~$5,000~~]; or a

5. Grandchild who is the issue of a child by blood, or of a stepchild or of a child adopted during infancy, *$20,000* [~~$5,000~~];

(d) All persons of Class B, under KRS 140.070, *$10,000* [~~$1,000~~]; and

(e) All persons of Class C, under KRS 140.070, *$5,000* [~~$500~~].

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

Section 22. KRS 138.140 is amended to read as follows:

A tax shall be paid on the sale of cigarettes within the state at a proportionate rate of *four and one-half cents (4.5¢)* [~~three cents (3¢)~~] on each twenty (20) cigarettes. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

and by renumber all succeeding sections in accordance with those changes.

Representative LeMaster moved the adoption of the following Legislative Citation No. 72.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Father Anthony Deye, Pastor of Corpus Christi Parish of Newport, Kentucky for his excellent leadership as Pastor. Your educational background comprising high school through the universities is most admirable. Your ordination of Rome on December 8, 1937 began your life as an exemplary and dedicated Priest. Your philosophy embraces justice for all and your willingness to struggle for the fulfillment of your belief. You are well known for your battles for moral decency in the New port Ministerial Association which fought actively against X-rated establishments. Your services in working with the Catholic Interracial Council revealed your profound concern in fighting for human dignity. Great stability and wisdom earmarked your leadership as first president of the Diocesan Priests' Council. God gave you many gifts that you wisely invested. We wish for you all of God's blessings as you leave the pastoral cuties of Corpus Christi Parish and continue your service to mankind. (Sponsored by Representative Mann)

Agreed.

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions:

HR 106, by Representative Burch: A RESOLUTION directing a demonstration of an alternate transportation fuel system.

HR 107, by Representatives Bennett, Van Horn, Gray, Turner, Cyrus, Schmidt, Hancock, and Holloway: A RESOLUTION requesting the Legislative Research Commission to establish a subcommittee to study the problems of Vietnam veterans.

HR 108, by Representatives Deskins and Nett: A RESOLUTION encouraging a demonstration project in coal refuse clean-up.

HR 109, by Representatives Hines, Williams, Handy, Head, Guenthner, Dunn, Lile, Haering, Yates, Cowan, Riner, Moberly, Seum, Bennett, Burch, Nett, Heleringer, Bronger, Priddy, Kidd, Holloway, O'Brien, Clark, and Bendl: A RESOLUTION to honor the University of Louisville Cardinal basketball team.

HR 110, by Representatives Nett and Yates: A RESOLUTION commending the Kentucky Authority for Educational Television and the Kentuckiana Metroversity for their use of modern communication technology for the delivery of educational services.

Posting of Bills and Resolutions for Consideration

The Clerk announced the Committee on Business Organizations and professions has posted **SB 296** for Committee consideration.

Report of Committees

The Committee on Rules reported **HB 428** has been posted for passage in Orders of the Day, March 26, 1982.

The Committee on Transportation reported **SB 342** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 342, AN ACT relating to traffic regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.222 is amended to read as follows:

(1) The secretary of transportation in respect to highways which are a part of the state-maintained system, by official order, may increase on designated highways or portions thereof, the maximum height, length and gross weight prescribed in KRS 189.221, if in the opinion of said secretary, the increased heights, length and weight designated by him are justified by the strength, safety and durability of the designated highways, and said highways do not appear susceptible to unreasonable and unusual damage by reason of such increases and said secretary is authorized to establish reasonable classification of such roads and to fix a different maximum for each classification. Provided, however, that any increase in the height, length or width or any motor truck or tractor semitrailer combinations or any other vehicle combinations including any part of the body or load or designation of highways to be used by such vehicles, shall not, in any way, exceed the federal law or regulations thereunder or jeopardize the allotment or qualification for federal aid funds of the Commonwealth of Kentucky or exceed the following dimensions and weights:

(a) Height, thirteen and one-half (13 ½) feet;

(b) Length, truck tractors and semitrailers, fifty-five (55) feet; motor trucks, thirty-five (35) feet;

(c) Length, truck tractor, semitrailer and trailer, sixty-five (65) feet;

(d) A tolerance of not more than five percent (5%) shall be permitted before a carrier is deemed to have violated (b) of this subsection. In no event shall the maximum length exceed sixty-five (65) feet;

(e) Weight, twenty thousand (20,000) pounds per single axle, with axles less than forty-two (42) inches apart to be considered as a single axle; thirty-four thousand (34,000) pounds on two (2) axles in tandem arrangement which are spaced forty-two (42) inches or more apart and less than ninety-six (96) inches apart; fifty thousand (50,000) pounds on three (3) axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. In no event shall any single axle in any arrangement exceed twenty thousand (20,000) pounds or six hundred (600) pounds per inch of the aggregate width of all the tires on a single axle, whichever is less. In no event shall the total gross weight of the vehicle and load exceed eighty-two thousand (82,000) pounds;

(f) A tolerance of not more than five percent (5%) per axle load shall be permitted before a carrier is deemed to have violated paragraph (e) of this subsection. In no event shall the gross weight exceed eighty-two thousand (82,000) pounds;

(g) Truck tractor, semitrailer and trailer combinations and other vehicle combinations may be operated only on those parts of the state-maintained system which has been designated by the secretary of transportation by official order as safely allowing same.

(2) Vehicles exclusively engaged in the transportation of motor vehicles, unmanufactured tobacco or unmanufactured tobacco products may, on those highways which are a part of the state-maintained system and which have been designated by the secretary of transportation by official order as safely allowing same, attain the following maximum lengths excluding the usual and ordinary bumper overhang of the transported vehicles;

(a) Truck tractors and semitrailers, sixty (60) feet;

(b) Motor trucks and trailers, sixty-five (65) feet.

(3) Vehicles engaged exclusively in the transportation of farm *or primary forestry* products and registered under KRS 186.050(4)[~~(b)~~] *or KRS 186.050(9)* shall be excluded from the axle weight provisions, *except on interstate highways,* and subject only to total gross weight provisions.

(4) The secretary of transportation may by order increase the weight and height limits prescribed by this chapter for motor vehicle while being operated exclusively on roads or highways being constructed, reconstructed or repaired under contract with the department of transportation by the contractor or subcontractor, agent or employe thereof.

(5) Notwithstanding any other provisions of this chapter, in no event may the secretary of transportation authorize the operation of any motor vehicle or combination of motor vehicles, upon any part of the interstate and national defense highway system, which exceeds the following dimension and weights:

(a) Width, ninety-six (96) inches, including any part of the body or load;

(b) Weight, eighteen thousand (18,000) pounds per single axle, with axles less than forty-two (42) inches apart to be considered as a single axle; thirty-two thousand (32,000) pounds on two (2) axles in tandem arrangement which are spaced forty-two (42) inches or more apart and less than ninety-six (96) inches apart; forty-eight thousand (48,000) pounds on three (3) axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. In no event shall any single axle in any arrangement exceed eighteen thousand (18,000) pounds or six hundred (600) pounds per inch of the aggregate width of all the tires on a single axle, whichever is less. In no event shall the total gross weight of the vehicle and load exceed seventy-three thousand two hundred eighty (73,280) pounds; provided, however, in the event any federal law or laws or regulations thereunder are hereafter enacted authorizing weights and dimensions in excess of those set out in paragraphs (a) and (b) of this subsection, then the secretary of transportation may by official order increase the maximum weights and dimensions but in no event shall said increased weights and dimensions exceed those set out in this section.

Section 2. KRS 189.273 is amended to read as follows:

(1) A special twelve (12) month permit shall be issued only to the operators or movers of equipment used primarily for soil conservation purposes, *residential construction purposes,* public utility service companies, other specialized equipment such as oil well or mine servicing equipment and truck cranes and loaders, the use of which is confined to a limited area as covered by subsection (4) of this section.

(2) A twelve (12) month permit shall be issued only for the movement of a specific vehicle or a combination of vehicles hauling or towing a specific overweight or overdimensional load or machine, or for the movement of a specific overdimensional or overweight machine or piece of equipment.

(3) A permit shall only be issued for vehicles which are properly licensed in Kentucky if the vehicles are required to be licensed as motor vehicles in Kentucky.

(4) The permit will only be issued for movement within the county in which the vehicle is based or the applicant maintains headquarters and movement into an adjoining county and return to headquarters and only on the state highways or parts of the state highways specifically listed on the permit.

(5) An extended permit will not be issued for vehicles or machines which exceed the following dimensions:

13′ 6″	OVERALL HEIGHT
12′ 0″	OVERALL WIDTH
90′ 0″	OVERALL LENGTH

Any blade or bucket attached to the equipment which exceeds twelve feet (12') in width must be removed for highway movement. A blade which has been removed may be moved on the truck with the equipment without being considered a divisible load.

(6) An extended permit shall not be issued for vehicles or machines which exceed the following weights:

Self-propelled equipment - twenty-four thousand (24,000) pounds per axle or

Six hundred (600) pounds per tire rim inch, whichever is less.

All weights are subject to limitations of bridge designs and rated load capacity.

(7) One (1) lead escort vehicle shall accompany equipment on two (2) lane highways if the blade or bucket extends over the bed of the transporting vehicle or if the width of the equipment exceeds ten feet six inches (10' 6").

Section 3. KRS 189.270 is amended to read as follows:

(1) The bureau may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles and housetrailers whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects fail to comply with the requirements of this chapter. *Permits issued under this section shall provide for the movement of equipment having a blade or bucket width not to exceed fourteen feet (14'), without requiring that the blade or bucket be removed when such equipment is transported.* Permits may be issued by the bureau for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of the highways as the bureau may, in its discretion, require. The bureau shall require, as a condition to the issuance of the permit, that the applicant pay a reasonable fee, to be fixed by it, and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles and housetrailers in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the bureau may require, in his possession.

(2) No person shall operate any motor vehicle or housetrailer in violation of the terms of the permit.

The Committee on Appropriations and Revenue reported **SB 243,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 243, AN ACT relating to state deposits and investments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.010 is amended to read as follows:

(1) As used in KRS 41.070, 41.110, 41.120, 41.130, 41.150, 41.160, 41.290, 41.300 or 41.990, unless the context requires otherwise, the terms "appropriation," "budget unit," "disbursements," "employe," "expenditures," "expenses," and "receipts" have the meaning given them by KRS 43.010 and 45.010.

(2) As used in this chapter, the words "bank" and "depository" include any qualified financial intermediary.

Section 2. KRS 41.230 is amended to read as follows:

For services rendered by the depositories *compensation shall be made in the forms of a predetermined fee or a predetermined compensating balance* [~~there shall be no charges made of any character or description~~]. The depositories shall each pay to the state, in proportion to the deposits received, interest at such rate per annum upon the average daily deposit on hand at the close of *business* [~~banking~~] hours as is agreed upon between the treasurer and the depositories, *consistent with the regulations promulgated by the state investment commission pursuant to Section 11 of this Act.* The interest *shall* [~~to~~] be paid to the treasurer at the end of each six (6) months *or upon maturity* commencing with the date of the deposit.

Section 3. KRS 41.240 is amended to read as follows:

(1) *(a)* Before any bank shall be named as a state depository to receive public funds, it shall pledge to the state treasurer, as collateral, securities [~~having a face value at least ten per cent (10%) in excess of the deposits and~~] having a current quoted market value at least equal to the deposits, provided, however, that amounts insured by the Federal Deposit Insurance Corporation need not be collateralized. The president or cashier of each depository bank shall submit to the treasurer *and the state investment commission* a statement subscribed and sworn to by him showing the current quoted market value of the securities pledged as of the time the securities are offered as collateral. *The market valuation of all pledged collateral shall be reported to the state treasurer and state investment commission upon receipt of deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31. Such quotes shall be as of the end of the quarter or the preceding business day and shall be obtained from a reputable bond pricing service.* The state treasurer and governor may from time to time call for additional collateral to adequately secure the deposits as current market values may require.

(b) No deposit of state collected demand and time funds shall collectively exceed at any time the depository's sum of capital, reserves, undivided profits and surplus or ten percent (10%) of the total deposits of any particular depository, whichever is less. Deposits will be valued at the end of each business day.

(2) *(a) As an alternative to paragraph (1)(a) of this section, a Kentucky depository insured by the Federal Deposit Insurance Corporation may pledge to the state treasurer as collateral securities having a current quoted market value equal to fifty percent (50%) of the value of the state deposit including demand and time accounts, if the depository is determined by the state investment commission to have very strong credit with little or no credit risk at any maturity level and the likelihood of short-term unexpected problems*

of significance is minimal or not of a serious or long-term nature. The value of the state deposit will be determined at the end of the business day of deposit and as of the end of business on the last day of each quarter that funds are so deposited.

(b) Market valuation of all pledged collateral shall be reported to the state treasurer and the state investment commission upon receipt of the state deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31.

(c) All depositories qualified and choosing to participate in the reduced collateral option described in paragraph (a) of this subsection, shall agree in the event of a default of a participating depository, to liquidate pledged collateral and pay to the state treasurer on a pro rata share basis according to the proportion of state deposits held by each participating depository a sum to equal the loss that is unsecured and uninsured by a federal instrumentality, at the defaulting depository.

(d) Depositories designated as qualified for reduced pledging shall be so recorded in the executive journal.

(e) The state investment commission shall determine eligibility for the reduced pledging option based on totally objective and quantifiable measures of financial intermediary performance. The information for such eligibility shall be obtained from publicly available documents. The state investment commission shall promulgate the particular criteria of eligibility by regulations issued pursuant to KRS Chapter 13.

(3) Depositories which do not qualify or do not choose to qualify under subsections (1) or (2) of this section shall not receive state deposits in excess of amounts that are insured by an instrumentality of the United States.

(4) Only the following securities may be accepted by the State Treasurer as collateral under this section:

(a) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof, and any bonds, notes, debentures or any other obligations or securities issued or guaranteed by any federal governmental agency, presently or in the future established by an Act of Congress, as amended or supplemented from time to time;

(b) Obligations of the Commonwealth of Kentucky including revenue bonds issued by its statutory authorities, commissions or agencies;

(c) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to 162.380;

(d) Obligations of any city of the first, second, and third classes of the Commonwealth of Kentucky, or any county, for the payment of principal and interest on which the full faith and credit of the issuing body is pledged;

(e) School improvement bonds issued in accordance with the authority granted under KRS 162.080 to 162.100; and

(f) School building revenue bonds issued in accordance with the authority granted under KRS 162.120 to 162.300, provided that the issuance of such bonds is approved by the state board for elementary and secondary education.

SECTION 4. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The state treasurer may withdraw funds from or deposit funds in the state treasury by means of electronic funds transfers. The treasurer shall obtain a payee's prior, written consent for the payment of funds due him from the state treasury by means of direct deposit rather than by means of a paper check issued to him. A single authorization may be granted for multiple payments to a payee by means of direct deposit.

(2) For the purpose of implementing this section and unless the context requires a different meaning, the term "check" as used in this chapter shall mean either a paper check or a paperless entry on an electronic data processing medium that substitutes for a paper check for the purposes of debiting or crediting an account and of which a permanent record is made.

Section 5. KRS 41.350 is amended to read as follows:

Cancelled checks of the state treasurer upon state depository banks *and permanent records of paperless entries debiting state accounts transmitted to the state treasurer by state depositories* shall[, after cancellation,] be preserved by the state treasurer for a period of seven (7) years. At the expiration of that period, unless required for the purpose of an action then pending, the checks shall be sold as waste paper or destroyed.

SECTION 6. KRS 41.380 IS REPEALED, REENACTED AND AMENDED AS A NEW SECTION OF KRS CHAPTER 42.

(1) There shall be a state investment commission composed of the governor *who shall be chairman,* the state treasurer, [~~the secretary of the development cabinet and~~] the secretary of the department of finance, *and two appointees of the governor selected from a list of five (5) names recommended by the legislative research commission.*

(2) The individuals recommended by the legislative research commission shall have knowledge and experience in investments and financial management.

(3) The state investment commission shall meet at least once per month to review investment performance and conduct other business.

(4) The terms of office of the individuals appointed by the governor shall expire upon the expiration of the governor's term of office.

(5) The provisions of KRS 61.070 shall not apply to members of the commission.

(6) The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.

(7)[~~(2)~~] The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(8) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in:

(a) Obligations backed by the full faith and credit of the United States or a U.S. government agency, including but not limited to:

1. U.S. treasury;
2. Export-import bank of the United States;
3. Farmers home administration;
4. Governmental national mortgage corporation;
5. Merchant marine bonds.

(b) Obligations of any corporation of the U.S. government, including but not limited to:

1. Federal home loan mortgage corporation;
2. Federal farm credit banks;
a. Bank for cooperatives;
b. Federal intermediate credit banks;
c. Federal land banks;
3. Federal home loan banks;
4. Federal national mortgage association;
5. Tennessee Valley Authority obligations.

(c) Collateralized certificates of deposit, uncollateralized certificates of deposit for which there is a nationally recognized market, shares, share accounts, or other interest-bearing accounts in depository institutions chartered by this state or by the United States, except for shares in mutual savings banks;

(9)[~~(3)~~] Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(10)[~~(4)~~] The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

(11) The authority granted by this section to the state investment commission shall only be exercised pursuant to the regulations mandated by Section 11 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Subject to the limitations of KRS Chapters 41 and 42 the state investment commission is authorized to make purchases, sales, exchanges, investments, and reinvestments, of any of the securities and investments in which any of the state funds shall have been invested, as well as the proceeds of said investments and any money belonging to said funds.

SECTION 8. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall from time to time fix the rate of interest to be paid by qualified public depositories upon investment deposits.

(2) Time deposits in Kentucky depositories issued pursuant to this chapter shall bear interest at a rate which would be equal to one hundred percent (100%) of the average regional interest rate which shall be the average of five (5) rates quoted by banks in Kentucky and any contiguous state. Those rates shall be recorded by the state investment commission.

SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Funds available for investment in time deposits by the state investment commission shall be offered first to qualified Kentucky depositories at the rate described in Section 8(2) of this Act. If any of the funds remain uninvested after being offered to qualified Kentucky depositories, the uninvested funds may be invested consistent with investment goals and liquidity needs as determined by the state investment commission and that comply with Section 6 of this Act, in any qualified investment.

SECTION 10. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall assign public funds to public depositories by priority based on evidence that the public depository serves the convenience and economic development needs of the communities in which they are chartered to do business. The convenience and needs of communities include the need for credit services as well as deposit services.

(2) The state investment commission shall only assign priorities to public depositories on the basis of compliance with regulations promulgated pursuant to KRS Chapter 13.

SECTION 11. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall adopt regulations for the investment and reinvestment of state funds and the acquisition, retention, management, and disposition of investments.

(2) The regulations shall specify:

(a) The long and short terms goals of any investment;

(b) The specification of monies to be invested;

(c) The amount of funds which may be invested per instrument;

(d) The qualifications of instruments;

(e) Minimum interest rates for funds invested long and short term;

(f) The acceptable maturity of investments;

(g) The investment procedure with respect to in-state and out-of-state depositories provided that funds available for investment shall be offered first to qualified Kentucky depositories consistent with the investment guidelines; and

(h) The distribution method of funds among types of institutions.

SECTION 12. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The state investment commission shall render quarterly written reports concerning the performance of each investment to the legislative research commission. The reports may contain recommendations of the commission for legislative or other action to effectuate the purposes and policies of this chapter.

SECTION 13. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each agency holding funds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed by the listed funds during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each listed fund to the state investment commission. The funds which shall be reported are:

(1) The county sinking fund;

(2) Tobacco research trust fund;

(3) The uninsured employer's fund;

(4) The administrative fund created by KRS 342.440, also known as the workers' compensation maintenance fund;

(5) The special claim fund;

(6) The common school fund.

SECTION 14. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Notwithstanding KRS 41.290, every nonprofit fiduciary holding funds for the benefit of any form of state organization including but not limited to Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, Western Kentucky University, the state fair board, and the Kentucky department of energy shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return in investments to the state investment commission. Such fiduciaries include, but are not limited to Eastern Kentucky University Foundation; Kentucky State University Foundation, Inc.; Morehead State University Foundation, Inc.; Morehead Alumni Foundation, Inc.; Eagle Athletic Foundation, Inc.; Murray State University Foundation;

Northern Kentucky University Foundation, Inc.; University of Kentucky Research Foundation; University of Kentucky Athletics Association; The Fund for the Advancement of Education and Research in the University of Kentucky Medical Center; Health Care Collection Service, Inc.; McDowell Cancer Network, Inc.; University of Kentucky-Business Partnership Foundation, Inc.; Kentucky Medical Services Foundation, Inc.; University of Louisville Foundation, Inc.; University of Louisville Hospital, Inc.; University of Louisville Institute of Industrial Research, Inc.; University of Louisville Medical School Fund, Inc.; The College Heights Foundation; KFEC Research and Development Foundation, Inc.; Kentucky Export Resources Authority, Inc. and all similar nonprofit fiduciaries for the benefit of any form of state organization and their successors.

SECTION 15. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each agency authorized to issue bonds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, trustees, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each agency to the state investment commission. The agencies required to report under this section are Eastern Kentucky University; Kentucky State University; Morehead State University; Murray State University; Northern Kentucky University; University of Kentucky; University of Louisville; Western Kentucky University; Kentucky Housing Corporation; Kentucky Pollution Abatement Authority; Kentucky Higher Education Student Loan Corporation; Kentucky School Building Authority; The Turnpike Authority of Kentucky; the state property and buildings commission; Churchill Downs authority; Kentucky health and geriatric authority; Capital Plaza authority; state fair board; department of fish and wildlife resources; water resources authority of Kentucky and any other agency or instrumentality authorized to issue bonds.

SECTION 16. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The Court of Justice shall make a report according to generally accepted accounting principles of all money received and disbursed pursuant to fines, court costs, or fees established by enactment of the General Assembly, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the legislative research commission for each fiscal year on or before the 15th of July.

SECTION 17. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The Court of Justice shall make a report according to generally accepted accounting principles of all money received and disbursed pursuant to any action based on a cause of action established by enactment of the General Assembly, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the legislative research commission for each fiscal year on or before the 15th of July.

SECTION 18. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall, by regulations promulgated pursuant to KRS Chapter 13, require reports by the Court of Justice, under Sections 16, 17, and 18 of this Act, to be substantially similar in form to the reports made to the state investment commission under Sections 13, 14, 15, and 20 of this Act.

SECTION 19. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each retirement fund listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed by the listed fund during each fiscal year on or before the 15th of July, showing receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each listed fund to the legislative research commission. The funds which shall be reported are:

(1) Kentucky employes' retirement fund;
(2) State police retirement fund;
(3) County employes' retirement fund;
(4) Kentucky retirement systems insurance fund;
(5) Funds controlled by the teachers' retirement system of the state of Kentucky;
(6) Judicial retirement fund;
(7) Legislators retirement fund; and
(8) The Kentucky state public employes deferred compensation trust fund.

SECTION 20. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The department of education shall make a report according to generally accepted accounting principles of all money received and disbursed from the common school fund, the minimum foundation program, *and the power equalization program, to local school districts showing their receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the state investment commission for each fiscal year on or before the 15th of July.*

SECTION 21. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of Section 185 of the Constitution of Kentucky, the state investment commission shall constitute the sinking fund commission.

(2) The state investment commission may sell the stock in the bank of Kentucky referred to in Sections 184 and 185 of the Constitution of Kentucky. The state investment commission may sell and reinvest the proceeds of the sale of the stock in the bank of Kentucky from time to time.

Section 22. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in KRS 41.380 until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding *Section 6 of this Act* [~~KRS 41.380(3)~~], interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

Section 23. KRS 42.410 is amended to read as follows:

(1) The office for investment and debt management established in KRS 42.400 shall, subject to the provisions of KRS 41.020 to 41.390, have and perform functions and duties as follows:

(a)[~~(1)~~] The analysis and management of short and long-term cash flow requirements.

(b)[~~(2)~~] The maximization of the return on state investments given the cash flow and liquidity requirements.

(c)[~~(3)~~] The coordination and monitoring of cash needs relative to investment and debt activity.

(d)[~~(4)~~] The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(e)[~~(5)~~] The evaluation of revenue projections relative to proposed revenue bond issues.

(f)[~~(6)~~] The responsibility for liaison with the general assembly on all investment and debt matters, including, but not limited to, new bond issues, the status of state debt, and the status of state investments.

(g)[~~(7)~~] All other functions of the department relative to state investment and debt management including, but not limited to, the making of debt service payments, the sale of bonds, and staff assistance to the state property and buildings commission and the state investment commission.

(2) The office for investment and debt management shall render monthly written reports concerning the performance of each investment to the state investment commission.

(3) Nothing in this section shall authorize any act inconsistent with the authority granted the state investment commission by Sections 6 and 11 of this Act.

SECTION 24. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

All services provided to the Commonwealth by qualified state depositories shall be rendered pursuant to this chapter.

Section 25. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in *Section 6 of this Act* [~~KRS 41.380~~] until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding *Section 6 of this Act* [~~KRS 41.380(3)~~], interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

Section 26. KRS 164.892 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of three hundred fifty thousand dollars ($350,000) in the manner and within the time specified in subsection (3) of this section.

(2) Upon receipt of the initial payment of eighty-seven thousand five hundred dollars ($87,500), the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Louisville" and there shall be credited to said fund the initial payment of eighty-seven thousand five hundred dollars ($87,500), all income thereafter earned from the investment of said fund and all contributions thereafter made by the university to said fund. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 6 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The university shall make an initial payment of eighty-seven thousand five hundred dollars ($87,500) upon action by its board of trustees as described in KRS 164.895. Annual payments of eighty-seven thousand five hundred dollars ($87,500) shall be made thereafter until the university has paid a total of three hundred fifty thousand dollars ($350,000) into the "basic coverage compensation fund, University of Louisville," except that when the university commences the operation of a teaching hospital, the difference between the total of all annual payments made into the basic coverage compensation fund and the sum of three hundred fifty thousand dollars ($350,000) shall become due and payable.

(4) The funds held in any fund created under KRS 164.890 to 164.895 shall be expended solely in payment of claims and judgments for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1976 and which may occur in the future and which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(5) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth then such payment must also be approved by the secretary, or his delegate.

(6) Funds held in any account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(7) In addition to the payments to said fund required to be made in subsection (3) above, annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. Provided, however, that if the university and the secretary shall at any time in the future mutually determine, based on sound actuarial principles, that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one (1) year, then an annual contribution in such lesser amount as may be determined may be made.

(8) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses, and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(9) Claims and judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created by contribution from the university shall at any time fail to have sufficient funds to pay all such judgments, then they shall be paid out of the excess coverage fund upon certification by the secretary. Said excess coverage fund shall be expended only upon exhaustion of the basic coverage compensation fund and any liability insurance from any source whatsoever.

Section 27. KRS 164.941 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of $350,000.

(2) Upon receipt of said payment of $350,000 the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Kentucky" and there shall be credited to said fund the initial payment of $350,000, all income thereafter earned from the investment of said fund, and all contributions thereafter made by the university. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion

of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 6 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The funds held in any fund created under KRS 164.939 to 164.944 shall be expended solely in payment of claims for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1975 and which may occur in the future which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(4) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth under the provisions of subsection (8) of this section then any payment from said fund must also be approved by the secretary, or his delegate.

(5) Funds held in an account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(6) Annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. In the event the university terminates its commercial excess insurance coverage then said annual contributions shall be in the amount of $250,000 with the first contribution being due and payable within twelve (12) months next following the month in which such insurance is terminated. Provided, however, that if the university and the secretary shall at any time in the future, based upon accepted actuarial principles, mutually determine that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one year, then an annual contribution in such lesser amount as may be determined may be made.

(7) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(8) Claims or judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created hereunder shall at any time fail to have sufficient funds to pay all judgments, then they shall be paid out of the excess coverage fund upon certification of the obligation by the secretary and the university. Said excess fund shall be expended only upon exhaustion of the basic coverage compensation fund and any insurance from any source whatsoever.

Section 28. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.

(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
(i) State investment commission.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.

15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.

Cabinet for education and the arts.

20. Kentucky arts commission.
21. Bureau for the blind.

Department of education (headed by elected officer).

22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.

Cabinet for public protection and regulation.

27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.

III. Other departments headed by appointed officers:

1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 29. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) State planning committee;
(2) Kentucky health and geriatric authority;
(3) Turnpike authority of Kentucky;
(4) State property and buildings commission;
(5) Kentucky housing corporation;
(6) Kentucky pollution abatement authority;
(7) Capital plaza authority;
(8) Kentucky savings bond authority;
(9) County officials compensation board;
(10) Kentucky public employes deferred compensation board;

(11) Governor's design advisory council;

(12) State investment commission.

Section 30. KRS 446.010 is amended to read as follows:

As used in the statute laws of this state, unless the context requires otherwise:

(1) "Action" includes all proceedings in any court of this state;

(2) "Animal" includes every warm-blooded living creature except a human being;

(3) "Attorney" means attorney-at-law;

(4) "Bequeath" and "devise" mean the same thing;

(5) "Bequest" and "legacy" mean the same thing, and embrace either real or personal estate, or both;

(6) "Cattle" includes horse, mule, ass, cow, ox, sheep, hog or goat of any age or sex;

(7) "Company" may extend and be applied to any corporation, company, person, partnership, joint stock company or association;

(8) "Corporation" may extend and be applied to any corporation, company, partnership, joint stock company or association;

(9) "Cruelty" as applied to animals includes every act or omission whereby unjustifiable physical pain, suffering or death is caused or permitted;

(10) "Directors", when applied to corporations, includes managers or trustees;

(11) "Domestic", when applied to corporations, means all those incorporated or formed by authority of this state;

(12) "Domestic animal" means any animal converted to domestic habitat;

(13) "Federal" refers to the United States;

(14) "Foreign", when applied to corporations, includes all those incorporated or formed by authority of any other state;

(15) "Generally accepted accounting principles" are those uniform minimum standards of and guidelines to financial accounting and reporting as adopted by the National Council on Governmental Accounting, under the auspices of the Municipal Finance Officers Association and by the Financial Accounting Standards Board, under the auspices of the American Institute of Certified Public Accountants;

(16) "Humane society", "society", or "Society for the Prevention of Cruelty to Animals", means any nonprofit corporation, organized under the laws of this state and having as its primary purpose the prevention of cruelty to animals;

(17) "Issue", as applied to the descent of real estate, includes all the lawful lineal descendants of the ancestors;

(18) "Land" or "real estate" includes lands, tenements and hereditaments and all rights thereto and interest therein, other than a chattel interest;

(19) "Legatee" and "devisee" convey the same idea;

(20) "May" is permissive;

(21) "Month" means calendar month;

(22) "Oath" includes "affirmation" in all cases in which an affirmation may be substituted for an oath;

(23) "Owner" when applied to any animal, means any person having a property interest in such animal;

(24) "Peace officer" includes sheriffs, constables, coroners, jailers, marshals, policemen and other persons with similar authority to make arrests;

(25) "Penitentiary" includes all of the state penal institutions except the houses of reform;

(26) "Person" may extend and be applied to bodies-politic and corporate, societies, communities, the public generally, individuals, partnerships and joint stock companies;

(27) "Personal estate" includes chattels, real and other estate that passes to the personal representative upon the owner dying intestate;

(28) "Regular election" means the election in even numbered years at which members of Congress are elected and the election in odd numbered years at which state officers are elected;

(29) "Shall" is mandatory;

(30) "State" when applied to a part of the United States, includes territories, outlying possessions and the District of Columbia; "any other state" includes any state, territory, outlying possession, the District of Columbia, and any foreign government or country;

(31) *"State funds" or "public funds" means sums actually received in cash or negotiable instruments from all sources unless otherwise described by any state agency, state-owned corporation, university, foundation, department, cabinet, fiduciary for the benefit of any form of state organization, authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization whether or not the money has ever been paid into the treasury and whether or not the money is still in the treasury if the money is controlled by any form of state organization, except for those funds the management of which is to be reported to the legislative research commission pursuant to Sections 16, 17, and 19 of this Act;*

(32) "Sworn" includes "affirmed" in all cases in which an affirmation may be substituted for an oath;

(33)[~~(32)~~] "United States" includes territories, outlying possessions and the District of Columbia;

(34)[~~(33)~~] "Vacancy in office", or any equivalent phrase, means such as exists when there is an unexpired part of a term of office without a lawful incumbent therein, or when the person elected or appointed to an office fails to qualify according to law, or when there has been no election to fill the office at the time appointed by law; it applies whether the vacancy is occasioned by death, resignation, removal from the state, county or district, or otherwise;

(35)[~~(34)~~] "Violate" includes failure to comply with;

(36)[~~(35)~~] "Will" includes codicils; "last will" means last will and testament;

(37)[~~(36)~~] "Year" means calendar year; and

(38)[~~(37)~~] "City" includes town.

Section 31. KRS 41.070 is amended to read as follows:

(1) Unless otherwise expressly provided by law, no receipts from any source of state money or money for which the state is responsible shall be held, used or deposited in any personal or special bank account, temporarily or otherwise, by any agent or employe of any budget unit, to meet expenditures or for any other purpose. All receipts of any character of any budget unit, all revenue collected for the state, and all public money and dues to the state shall be *deposited to state depositories in the most prompt and cost-efficient manner available* [~~paid promptly into the state treasury in the form in which received~~], except that in the case of state departments or agencies located outside Frankfort, and all state institutions, the department of finance may permit temporary deposits to be made to the accounts maintained by the agency, department, or institution in a bank which has been designated as a depository for state funds for a period not to exceed thirty (30) days, and may require that the money be forwarded to the state treasury at the time and in the manner and form prescribed by the department. Nothing in this section shall be construed as authorizing any representative of any agency, department, or institution to enforce or cash, even for the purpose of a deposit, any check or other instrument of value payable to the Commonwealth or any agency thereof.

(2) Each agency *depositing* [~~shall deposit~~] its receipts directly with the state treasurer *shall do so* on an approved pay-in-voucher form.

(3) *The department of revenue, the finance and administration cabinet and the state treasurer will engage depository banks of the state to receive the direct deposit of state receipts. Such depository banks will be selected pursuant to KRS Chapter 45A, and will act as agents of the department of revenue and state treasurer in carrying out duties relative to tax collections and deposits in the state treasury. Any bank so engaged will be bound to the confidentiality provisions of KRS 131.190.*

(4) The state treasurer, with the approval of the department of finance, may authorize an agency to deposit its receipts directly with a depository designated by the treasury to the credit of the state treasury provided that the treasurer shall prescribe the manner in which the deposit is to be made, and the forms and reports to be filed with the treasury department. The department of finance shall prescribe the forms and reports to be filed with it when this type of deposit is made.

(5)[~~(4)~~] Each department, agency, or other budget unit which receives funds to be deposited into the state treasury shall maintain records to report adequately each amount received, from whom received, and date received; such agency records shall be easily reconcilable with the pay-in-vouchers forwarded to the state treasurer.

Committee Substitute to **SB 243** is as follows:

SB 243, AN ACT relating to state deposits and investments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.010 is amended to read as follows:

(1) As used in KRS 41.070, 41.110, 41.120, 41.130, 41.150, 41.160, 41.290, 41.300 or 41.990, unless the context requires otherwise, the terms "appropriation," "budget unit," "disbursements," "employe," "expenditures," "expenses," and "receipts" have the meaning given them by KRS 43.010 and 45.010.

(2) As used in this chapter, the words "bank" and "depository" include any qualified financial intermediary and savings and loan associations chartered by the state of Kentucky or the United States government.

Section 2. KRS 41.230 is amended to read as follows:

For services rendered by the depositories *compensation shall be made in the forms of a predetermined fee or a predetermined compensating balance* [~~there shall be no charges made of any character or description~~]. The depositories shall each pay to the state, in proportion to the deposits received, interest at such rate per annum upon the average daily deposit on hand at the close of *business* [~~banking~~] hours as is agreed upon between the treasurer and the depositories, *consistent with the regulations promulgated by the state investment commission pursuant to Section 11 of this Act.* The interest *shall* [~~to~~] be paid to the treasurer at the end of each six (6) months *or upon maturity* commencing with the date of the deposit.

Section 3. KRS 41.240 is amended to read as follows:

(1) *(a)* Before any bank shall be named as a state depository to receive public funds, it shall pledge to the state treasurer, as collateral, securities [~~having a face value at least ten per cent (10%) in excess of the deposits and~~] having a current quoted market value at least equal to the deposits, provided, however, that amounts insured by the Federal Deposit Insurance Corporation *or the Federal Savings and Loan Insurance Corporation* need not be collateralized. The president or cashier of each depository bank shall submit to the treasurer *and the state investment commission* a statement subscribed and sworn to by him showing the current quoted market value of the securities pledged as of the time the securities are offered as collateral. *The market valuation of all pledged collateral shall be reported to the state treasurer and state investment commission upon receipt of deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31. Such quotes shall be as of the end of the quarter or the preceding business day and shall be obtained from a reputable bond pricing service.* The state treasurer and governor may from time to time call for additional collateral to adequately secure the deposits as current market values may require.

(b) No deposit of state collected demand and time funds shall collectively exceed at any time the depository's sum of capital, reserves, undivided profits and surplus or ten percent (10%) of the total deposits of any particular depository, whichever is less. Deposits will be valued at the end of each business day.

(2) *(a) As an alternative to paragraph (1)(a) of this section, a Kentucky depository insured by the Federal Deposit Insurance Corporation may pledge to the state treasurer as collateral securities having a current quoted market value equal to eighty percent (80%) of the value of the state deposit including demand and time accounts, if the depository is determined by the state investment commission to have very strong credit with little or no credit risk at any maturity level and the likelihood of short-term unexpected problems of significance is minimal or not of a serious or long-term nature. The value of the state deposit will be determined at the end of the business day of deposit and as of the end of business on the last day of each quarter that funds are so deposited.*

(b) Market valuation of all pledged collateral shall be reported to the state treasurer and the state investment commission upon receipt of the state deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31.

(c) Depositories designated as qualified for reduced pledging shall be so recorded in the executive journal.

(d) The state investment commission shall determine eligibility for the reduced pledging option based on totally objective and quantifiable measures of financial intermediary performance. The information for such eligibility shall be obtained from publicly available documents. The state investment commission shall promulgate the particular criteria of eligibility by regulations issued pursuant to KRS Chapter 13.

(3) Depositories which do not qualify or do not choose to qualify under subsections (1) or (2) of this section shall not receive state deposits in excess of amounts that are insured by an instrumentality of the United States.

(4) Only the following securities may be accepted by the State Treasurer as collateral under this section:

(a) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof, and any bonds, notes, debentures or any other obligations or securities issued or guaranteed by any federal governmental agency, presently or in the future established by an Act of Congress, as amended or supplemented from time to time;

(b) Obligations of the Commonwealth of Kentucky including revenue bonds issued by its statutory authorities, commissions or agencies;

(c) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to 162.380;

(d) Obligations of any city of the first, second, and third classes of the Commonwealth of Kentucky, or any county, for the payment of principal and interest on which the full faith and credit of the issuing body is pledged;

(e) School improvement bonds issued in accordance with the authority granted under KRS 162.080 to 162.100; and

(f) School building revenue bonds issued in accordance with the authority granted under KRS 162.120 to 162.300, provided that the issuance of such bonds is approved by the state board for elementary and secondary education.

SECTION 4. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The state treasurer may withdraw funds from or deposit funds in the state treasury by means of electronic funds transfers. The treasurer shall obtain a payee's prior, written consent for the payment of funds due him from the state treasury by means of direct deposit rather than by means of a paper check issued to him. A single authorization may be granted for multiple payments to a payee by means of direct deposit.

(2) For the purpose of implementing this section and unless the context requires a different meaning, the term "check" as used in this chapter shall mean either a paper check or a paperless entry on an electronic data processing medium that substitutes for a paper check for the purposes of debiting or crediting an account and of which a permanent record is made.

Section 5. KRS 41.350 is amended to read as follows:

Cancelled checks of the state treasurer upon state depository banks *and permanent records of paperless entries debiting state accounts transmitted to the state treasurer by state depositories* shall[, after cancellation,] be preserved by the state treasurer for a period of seven (7) years. At the expiration of that period, unless required for the purpose of an action then pending, the checks shall be sold as waste paper or destroyed.

SECTION 6. KRS 41.380 IS REPEALED, REENACTED AND AMENDED AS A NEW SECTION OF KRS CHAPTER 42.

(1) There shall be a state investment commission composed of the governor *who shall be chairman,* the state treasurer *who shall be vice-chairman and serve as chairman in the absence of the governor,* [~~the secretary of the development cabinet and~~] the secretary of the department of finance, *and two appointees of the governor selected from a list of five (5) names recommended by the legislative research commission.*

(2) The individuals recommended by the legislative research commission shall have knowledge and experience in investments and financial management.

(3) The state investment commission shall meet at least once per month to review investment performance and conduct other business.

(4) The terms of office of the individuals appointed by the governor shall expire upon the expiration of the governor's term of office.

(5) The provisions of KRS 61.070 shall not apply to members of the commission.

(6) The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.

(7)[~~(2)~~] The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(8) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in:

(a) Obligations backed by the full faith and credit of the United States or a U.S. government agency, including but not limited to:

1. U.S. treasury;
2. Export-import bank of the United States;
3. Farmers home administration;
4. Governmental national mortgage corporation;
5. Merchant marine bonds.

(b) Obligations of any corporation of the U.S. government, including but not limited to:

1. Federal home loan mortgage corporation;
2. Federal farm credit banks;
a. Bank for cooperatives;
b. Federal intermediate credit banks;
c. Federal land banks;
3. Federal home loan banks;
4. Federal national mortgage association;
5. Tennessee Valley Authority obligations.

(c) Collateralized certificates of deposit, uncollateralized certificates of deposit for which there is a nationally recognized market, shares, share accounts, or other interest-bearing accounts in depository institutions chartered by this state or by the United States, except for shares in mutual savings banks;

(9)[~~(3)~~] Interest earned from investments made pursuant to this section shall accrue to the credit of the general expenditure fund, except that interest from investments of excess cash in the road fund shall be credited to the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, and interest earned from the investment of funds accumulated solely

by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed.

(10)[~~(4)~~] The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

(11) The authority granted by this section to the state investment commission shall only be exercised pursuant to the regulations mandated by Section 11 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Subject to the limitations of KRS Chapters 41 and 42 the state investment commission is authorized to make purchases, sales, exchanges, investments, and reinvestments, of any of the securities and investments in which any of the state funds shall have been invested, as well as the proceeds of said investments and any money belonging to said funds.

SECTION 8. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall, in a timely manner, consistent with the goal of maximizing the return on invested funds, fix the rate of interest to be paid by qualified public depositories upon investment deposits.

(2) Time deposits in Kentucky depositories made pursuant to this chapter shall bear interest at a rate which would be equal to one hundred percent (100%) of the average full fair market rate of interest for such deposits in Kentucky and contiguous states determined from quotes from not less than seven (7) banks, at least four (4) of which shall be Kentucky banks. Those rates shall be recorded by the state investment commission.

SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Funds available for investment in time deposits by the state investment commission shall be offered first to qualified Kentucky depositories at the rate described in Section 8(2) of this Act. If any of the funds remain uninvested after being offered to qualified Kentucky depositories, the uninvested funds may be invested consistent with investment goals and liquidity needs as determined by the state investment commission and that comply with Section 6 of this Act, in any qualified investment.

SECTION 10. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall assign public funds to public depositories by priority based on evidence that the public depository serves the convenience and economic development needs of the communities in which they are chartered to do business. The convenience and needs of communities include the need for credit services as well as deposit services.

(2) The state investment commission shall only assign priorities to public depositories on the basis of compliance with regulations promulgated pursuant to KRS Chapter 13.

SECTION 11. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The state investment commission shall adopt regulations, no later than January 1, 1983, for the investment and reinvestment of state funds and the acquisition, retention, management, and disposition of investments.

(2) The regulations shall specify:

(a) The long and short terms goals of any investment;

(b) The specification of monies to be invested;

(c) The amount of funds which may be invested per instrument;

(d) The qualifications of instruments;

(e) Minimum interest rates for funds invested long and short term;

(f) The acceptable maturity of investments;

(g) The investment procedure with respect to in-state and out-of-state depositories provided that funds available for investment shall be offered first to qualified Kentucky depositories consistent with the investment guidelines; and

(h) The distribution method of funds among types of institutions.

SECTION 12. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The state investment commission shall render quarterly written reports concerning the performance of each investment to the legislative research commission. The reports may contain recommendations of the commission for legislative or other action to effectuate the purposes and policies of this chapter.

SECTION 13. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each agency holding funds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed by the listed funds during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each listed fund to the state investment commission. The funds which shall be reported are:

(1) The county sinking fund;

(2) Tobacco research trust fund;

(3) The uninsured employer's fund;

(4) The administrative fund created by KRS 342.440, also known as the workers' compensation maintenance fund;

(5) The special claim fund;

(6) The common school fund.

SECTION 14. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Notwithstanding KRS 41.290, every nonprofit fiduciary holding funds for the benefit of any form of state organization including but not limited to Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, Western Kentucky University, the state fair board, and the Kentucky department of energy shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return in investments to the state investment commission. Such fiduciaries include, but are not limited to Eastern Kentucky University Foundation; Kentucky State University Foundation, Inc.; Morehead State University Foundation, Inc.; Morehead Alumni Foundation, Inc.; Eagle Athletic Foundation, Inc.; Murray State University Foundation; Northern Kentucky University Foundation, Inc.; University of Kentucky Research Foundation; University of Kentucky Athletics Association; The Fund for the Advancement of Education and Research in the University of Kentucky Medical Center; Health Care Collection Service, Inc.; McDowell Cancer Network, Inc.; University of Kentucky-Business Partnership Foundation, Inc.; Kentucky Medical Services Foundation, Inc.; University of Louisville Foundation, Inc.; University of Louisville Hospital, Inc.; University of Louisville Institute of Industrial Research, Inc.; University of Louisville Medical School Fund, Inc.; The College Heights Foundation; KFEC Research and Development Foundation, Inc.; Kentucky Export Resources Authority, Inc. and all similar nonprofit fiduciaries for the benefit of any form of state organization and their successors.

SECTION 15. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each agency authorized to issue bonds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, trustees, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each agency to the state investment commission. The agencies required to report under this section are Eastern Kentucky University; Kentucky State University; Morehead State University; Murray State University; Northern Kentucky University; University of Kentucky; University of Louisville; Western Kentucky University; Kentucky Housing Corporation; Kentucky Pollution Abatement Authority; Kentucky Higher Education Student Loan Corporation; Kentucky School Building Authority; The Turnpike Authority of Kentucky; the state property and buildings commission; Churchill Downs authority; Kentucky health and geriatric authority; Capital Plaza authority; state fair board; department of fish and wildlife resources; water resources authority of Kentucky and any other agency or instrumentality authorized to issue bonds.

SECTION 16. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The Court of Justice shall make a report according to generally accepted accounting principles of all money received and disbursed pursuant to fines, court costs, or fees established by enactment of the General Assembly, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the legislative research commission for each fiscal year on or before the 15th of July.

SECTION 17. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The Court of Justice shall make a report according to generally accepted accounting principles of all money received and disbursed pursuant to any action based on a cause of action established by enactment of the General Assembly, showing the receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the legislative research commission for each fiscal year on or before the 15th of July.

SECTION 18. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall, by regulations promulgated pursuant to KRS Chapter 13, require reports by the Court of Justice, under Sections 16, 17, and 18 of this Act, to be substantially similar in form to the reports made to the state investment commission under Sections 13, 14, 15, and 20 of this Act.

SECTION 19. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Each retirement fund listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed by the listed fund during each fiscal year on or before the 15th of July, showing receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each listed fund to the legislative research commission. The funds which shall be reported are:

(1) Kentucky employes' retirement fund;
(2) State police retirement fund;
(3) County employes' retirement fund;
(4) Kentucky retirement systems insurance fund;
(5) Funds controlled by the teachers' retirement system of the state of Kentucky;
(6) Judicial retirement fund;
(7) Legislators retirement fund; and
(8) The Kentucky state public employes deferred compensation trust fund.

SECTION 20. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

The department of education shall make a report according to generally accepted accounting principles of all money received and disbursed from the common school fund, the minimum foundation program, and the power equalization program, to local school districts showing their receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each fund to the state investment commission for each fiscal year on or before the 15th of July.

SECTION 21. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of Section 185 of the Constitution of Kentucky, the state investment commission shall constitute the sinking fund commission.

(2) The state investment commission may sell the stock in the bank of Kentucky referred to in Sections 184 and 185 of the Constitution of Kentucky. The state investment commission may sell and reinvest the proceeds of the sale of the stock in the bank of Kentucky from time to time.

Section 22. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in KRS 41.380 until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding *Section 6 of this Act* [~~KRS 41.380(3)~~], interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

Section 23. KRS 42.410 is amended to read as follows:

(1) The office for investment and debt management established in KRS 42.400 shall, subject to the provisions of KRS 41.020 to 41.390, have and perform functions and duties as follows:

(a)[~~(1)~~] The analysis and management of short and long-term cash flow requirements.

(b)[~~(2)~~] The maximization of the return on state investments given the cash flow and liquidity requirements.

(c)[~~(3)~~] The coordination and monitoring of cash needs relative to investment and debt activity.

(d)[~~(4)~~] The development of a long-term debt plan including criteria for the issuance of debt and an evaluation of how much total state debt is justified.

(e)[~~(5)~~] The evaluation of revenue projections relative to proposed revenue bond issues.

(f)[~~(6)~~] The responsibility for liaison with the general assembly on all investment and debt matters, including, but not limited to, new bond issues, the status of state debt, and the status of state investments.

(g)[~~(7)~~] All other functions of the department relative to state investment and debt management including, but not limited to, the making of debt service payments, the sale of bonds, and staff assistance to the state property and buildings commission and the state investment commission.

(2) The office for investment and debt management shall render monthly written reports concerning the performance of each investment to the state investment commission.

(3) Nothing in this section shall authorize any act inconsistent with the authority granted the state investment commission by Sections 6 and 11 of this Act.

SECTION 24. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

All services provided to the Commonwealth by qualified state depositories shall be rendered pursuant to this chapter.

Section 25. KRS 18.560 is amended to read as follows:

(1) Notwithstanding any other provision of KRS 18.510 to 18.600, funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to KRS 18.550 shall be temporarily invested as provided in *Section 6 of this Act* [~~KRS 41.380~~] until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding *Section 6 of this Act* [~~KRS 41.380(3)~~], interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

Section 26. KRS 164.892 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of three hundred fifty thousand dollars ($350,000) in the manner and within the time specified in subsection (3) of this section.

(2) Upon receipt of the initial payment of eighty-seven thousand five hundred dollars ($87,500), the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Louisville" and there shall be credited to said fund the initial payment of eighty-seven thousand five hundred dollars ($87,500), all income thereafter earned from the investment of said fund and all contributions thereafter made by the university to said fund. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 6 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The university shall make an initial payment of eighty-seven thousand five hundred dollars ($87,500) upon action by its board of trustees as described in KRS 164.895. Annual payments of eighty-seven thousand five hundred dollars ($87,500) shall be made thereafter until the university has paid a total of three hundred fifty thousand dollars ($350,000) into the "basic coverage compensation fund, University of Louisville," except that when the university commences the operation of a teaching hospital, the difference between the total of all annual payments made into the basic coverage compensation fund and the sum of three hundred fifty thousand dollars ($350,000) shall become due and payable.

(4) The funds held in any fund created under KRS 164.890 to 164.895 shall be expended solely in payment of claims and judgments for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1976 and which may occur in the future and which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(5) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth then such payment must also be approved by the secretary, or his delegate.

(6) Funds held in any account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(7) In addition to the payments to said fund required to be made in subsection (3) above, annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. Provided, however, that if the university and the secretary shall at any time in the future mutually determine, based on sound actuarial principles, that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one (1) year, then an annual contribution in such lesser amount as may be determined may be made.

(8) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses, and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(9) Claims and judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created by contribution from the university shall at any time fail to have sufficient funds to pay all such judgments, then they shall be paid out of the excess coverage fund upon certification by the secretary. Said excess coverage fund shall be expended only upon exhaustion of the basic coverage compensation fund and any liability insurance from any source whatsoever.

Section 27. KRS 164.941 is amended to read as follows:

(1) The board of trustees of the university may, at its election, establish a basic coverage compensation fund for the benefit and protection from liability of itself and its agents. Promptly after the board of trustees of said university has elected to establish a basic coverage compensation fund, the university shall pay to the state treasurer the sum of $350,000.

(2) Upon receipt of said payment of $350,000 the state treasurer shall create a separate account to be designated as the "basic coverage compensation fund, University of Kentucky" and there shall be credited to said fund the initial payment of $350,000, all income thereafter earned from the investment of said fund, and all contributions thereafter made by the university. Unexpended and unencumbered balances in any fund created hereunder shall be carried forward and be available for expenditure in succeeding fiscal years notwithstanding the provisions of KRS 45.230 or any other provision of the Kentucky Revised Statutes. No portion of said fund shall ever lapse to the general fund and income earned from the investment of funds standing to the credit of said account shall accrue and be credited thereto, notwithstanding the provisions of *Section 6 of this Act* [~~KRS 41.380~~] or any other provision of the Kentucky Revised Statutes. Upon termination of said fund for any reason, the balance therein shall revert to the university.

(3) The funds held in any fund created under KRS 164.939 to 164.944 shall be expended solely in payment of claims for liability arising in favor of any patient from treatment performed or furnished, or treatment that should have been performed or furnished by the university or its agents. The liabilities which said fund shall be created to discharge are all liabilities from acts or omissions to act which may have occurred since July 1, 1975 and which may occur in the future which no entity other than the university and its agents is or will be obligated either by law or contract to pay and discharge.

(4) No settlement shall be made of any claim for personal injury or death to any claimant arising out of the furnishing or failure to furnish medical care by the university and its agents, until and unless the board of trustees of the university, or its duly delegated agent or body has first approved of such settlement. The board of trustees of the university shall also have the right to determine whether or not an appeal shall be taken from any judgment rendered against it or its agents, when such claim is founded upon or arises out of the furnishing or failure to furnish medical care. Provided, however, that if the payment of a judgment would involve expenditures from appropriations of general funds of the Commonwealth under the provisions of subsection (8) of this section then any payment from said fund must also be approved by the secretary, or his delegate.

(5) Funds held in an account created hereunder may be disbursed by the secretary only upon the written certification of the university, or its duly designated agent, of the amount to be disbursed and the name of the person or persons to whom such funds shall be paid.

(6) Annual contributions to said fund shall be made by the university in an amount which will be not less than one hundred fifty percent (150%) of the average amounts actually paid in each year on medical malpractice claims for the five (5) years next preceding the making of the annual contribution. In the event the university terminates its commercial excess insurance coverage then said annual contributions shall be in the amount of $250,000 with the first contribution being due and payable within twelve (12) months next following the month in which such insurance is terminated. Provided, however, that if the university and the secretary shall at any time in the future, based upon accepted actuarial principles, mutually determine that an annual contribution in a lesser amount will not impair the adequacy of the fund to satisfy existing and potential health care malpractice claims for a period of one year, then an annual contribution in such lesser amount as may be determined may be made.

(7) The university shall be solely responsible for the investigation and servicing of all claims made against it arising out of medical malpractice and all costs, expenses and fees incurred in the investigation, servicing and defense of all such claims shall be borne and paid by the university.

(8) Claims or judgments certified to be paid by the university shall be paid in the order received by the secretary. If the basic coverage compensation fund created hereunder shall at any time fail to have sufficient funds to pay all judgments, then they shall be paid out of the excess coverage fund upon certification of the obligation by the secretary and the university. Said excess fund shall be expended only upon exhaustion of the basic coverage compensation fund and any insurance from any source whatsoever.

Section 28. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
(i) State investment commission.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.

(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.

39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 29. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) State planning committee;
(2) Kentucky health and geriatric authority;
(3) Turnpike authority of Kentucky;
(4) State property and buildings commission;
(5) Kentucky housing corporation;
(6) Kentucky pollution abatement authority;
(7) Capital plaza authority;
(8) Kentucky savings bond authority;
(9) County officials compensation board;
(10) Kentucky public employes deferred compensation board;
(11) Governor's design advisory council*;*
(12) State investment commission.

Section 30. KRS 446.010 is amended to read as follows:

As used in the statute laws of this state, unless the context requires otherwise:

(1) "Action" includes all proceedings in any court of this state;

(2) "Animal" includes every warm-blooded living creature except a human being;

(3) "Attorney" means attorney-at-law;

(4) "Bequeath" and "devise" mean the same thing;

(5) "Bequest" and "legacy" mean the same thing, and embrace either real or personal estate, or both;

(6) "Cattle" includes horse, mule, ass, cow, ox, sheep, hog or goat of any age or sex;

(7) "Company" may extend and be applied to any corporation, company, person, partnership, joint stock company or association;

(8) "Corporation" may extend and be applied to any corporation, company, partnership, joint stock company or association;

(9) "Cruelty" as applied to animals includes every act or omission whereby unjustifiable physical pain, suffering or death is caused or permitted;

(10) "Directors", when applied to corporations, includes managers or trustees;

(11) "Domestic", when applied to corporations, means all those incorporated or formed by authority of this state;

(12) "Domestic animal" means any animal converted to domestic habitat;

(13) "Federal" refers to the United States;

(14) "Foreign", when applied to corporations, includes all those incorporated or formed by authority of any other state;

(15) "Generally accepted accounting principles" are those uniform minimum standards of and guidelines to financial accounting and reporting as adopted by the National Council on Governmental Accounting, under the auspices of the Municipal Finance Officers Association and by the Financial Accounting Standards Board, under the auspices of the American Institute of Certified Public Accountants;

(16) "Humane society", "society", or "Society for the Prevention of Cruelty to Animals", means any nonprofit corporation, organized under the laws of this state and having as its primary purpose the prevention of cruelty to animals;

(17) "Issue", as applied to the descent of real estate, includes all the lawful lineal descendants of the ancestors;

(18) "Land" or "real estate" includes lands, tenements and hereditaments and all rights thereto and interest therein, other than a chattel interest;

(19) "Legatee" and "devisee" convey the same idea;

(20) "May" is permissive;

(21) "Month" means calendar month;

(22) "Oath" includes "affirmation" in all cases in which an affirmation may be substituted for an oath;

(23) "Owner" when applied to any animal, means any person having a property interest in such animal;

(24) "Peace officer" includes sheriffs, constables, coroners, jailers, marshals, policemen and other persons with similar authority to make arrests;

(25) "Penitentiary" includes all of the state penal institutions except the houses of reform;

(26) "Person" may extend and be applied to bodies-politic and corporate, societies, communities, the public generally, individuals, partnerships and joint stock companies;

(27) "Personal estate" includes chattels, real and other estate that passes to the personal representative upon the owner dying intestate;

(28) "Regular election" means the election in even numbered years at which members of Congress are elected and the election in odd numbered years at which state officers are elected;

(29) "Shall" is mandatory;

(30) "State" when applied to a part of the United States, includes territories, outlying possessions and the District of Columbia; "any other state" includes any state, territory, outlying possession, the District of Columbia, and any foreign government or country;

(31) *"State funds" or "public funds" means sums actually received in cash or negotiable instruments from all sources unless otherwise described by any state agency, state-owned corporation, university, foundation, department, cabinet, fiduciary for the benefit of any form of state organization, authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization whether or not the money has ever been paid into the treasury and whether or not the money is still in the treasury if the money is controlled by any form of state organization, except for those funds the management of which is to be reported to the legislative research commission pursuant to Sections 16, 17, and 19 of this Act;*

(32) "Sworn" includes "affirmed" in all cases in which an affirmation may be substituted for an oath;

(33)[~~(32)~~] "United States" includes territories, outlying possessions and the District of Columbia;

(34)[~~(33)~~] "Vacancy in office", or any equivalent phrase, means such as exists when there is an unexpired part of a term of office without a lawful incumbent therein, or when the person elected or appointed to an office fails to qualify according to law, or when there has been no election to fill the office at the time appointed by law; it applies whether the vacancy is occasioned by death, resignation, removal from the state, county or district, or otherwise;

(35)[~~(34)~~] "Violate" includes failure to comply with;

(36)[~~(35)~~] "Will" includes codicils; "last will" means last will and testament;

(37)[~~(36)~~] "Year" means calendar year; and

(38)[~~(37)~~] "City" includes town.

Section 31. KRS 41.070 is amended to read as follows:

(1) Unless otherwise expressly provided by law, no receipts from any source of state money or money for which the state is responsible shall be held, used or deposited in any personal or special bank account, temporarily or otherwise, by any agent or employe of any budget unit, to meet expenditures or for any other purpose. All receipts of any character of any budget unit, all revenue collected for the state, and all public money and dues to the state shall be *deposited to state depositories in the most prompt and cost-efficient manner available* [~~paid promptly into the state treasury in the form in which received~~], except that in the case of state departments or agencies located outside Frankfort, and all state institutions, the department of finance may permit temporary deposits to be made to the accounts maintained by the agency, department, or institution in a bank which has been designated as a depository for state funds for a period not to exceed thirty (30) days, and may require that the money be forwarded to the state treasury at the time and in the manner and form prescribed by the department. Nothing in this section shall be construed as authorizing any representative of any agency, department, or institution to enforce or cash, even for the purpose of a deposit, any check or other instrument of value payable to the Commonwealth or any agency thereof.

(2) Each agency *depositing* [~~shall deposit~~] its receipts directly with the state treasurer *shall do so* on an approved pay-in-voucher form.

(3) *The department of revenue, the finance and administration cabinet and the state treasurer will engage depository banks of the state to receive the direct deposit of state receipts. Such depository banks will be selected pursuant to KRS Chapter 45A, and will act as agents of the department of revenue and state treasurer in carrying out duties relative to tax collections and deposits in the state treasury. Any bank so engaged will be bound to the confidentiality provisions of KRS 131.190.*

(4) The state treasurer, with the approval of the department of finance, may authorize an agency to deposit its receipts directly with a depository designated by the treasury to the credit of the state treasury

provided that the treasurer shall prescribe the manner in which the deposit is to be made, and the forms and reports to be filed with the treasury department. The department of finance shall prescribe the forms and reports to be filed with it when this type of deposit is made.

(5)[~~(4)~~] Each department, agency, or other budget unit which receives funds to be deposited into the state treasury shall maintain records to report adequately each amount received, from whom received, and date received; such agency records shall be easily reconcilable with the pay-in-vouchers forwarded to the state treasurer.

The Committee on State Government reported **HR 38** with Committee Amendment attached thereto, **SB 287, SB 353,** and **SB 382** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 38, A RESOLUTION adjourning the House of Representatives in honor of Polish Solidarity leader Lech Walesa.

WHEREAS, the citizens of the Polish People's Republic have endured oppression and, in some instances, revocation of their civil liberties and freedoms; and

WHEREAS, Lech Walesa and the Solidarity movement are attempting to break the oppressive militaristic chains placed upon the Polish people by their own government; and

WHEREAS, Lech Walesa has emerged not only as a political leader for his fellow Poles, but also as a spiritual leader; and

WHEREAS, Lech Walesa is a symbol for the entire world of courage and freedom in the midst of oppression; and

WHEREAS, Lech Walesa has inspired the Polish people in captivity, and he has rekindled the fires of freedom in the West where civil liberties and individual freedoms are sometimes taken for granted;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House of Representatives does adjourn this day, Thursday, February 18, 1982, it does so in honor of Lech Walesa.

CommitteeAmendment No. 1 to **HR 38** is as follows:

Amend printed copy of **HR 38,** page 1, line 2, by deleting "Thursday, February 18" and inserting in lieu thereof "Tuesday, March 30".

SB 287, AN ACT relating to the Kentucky retirement systems insurance fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.702 is amended to read as follows:

(1) The board of trustees of Kentucky retirement systems shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the Kentucky employes retirement system, county employes retirement system and state police retirement system. The board may authorize present and future recipients of a retirement allowance from any of the three (3) retirement systems, who are under age sixty-five (65), to be included in the state employes group for hospital and medical insurance and shall provide benefits for recipients equal to those provided to state employes having the same medicare hospital and medical insurance eligibility status.

(2) Each employer participating in the state police retirement system as provided for in KRS 16.510 to 16.652, and each employer participating in the county employes retirement system as provided in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute to the Kentucky retirement systems insurance fund the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of each respective employer contribution rate to each respective retirement system determined under KRS 61.565.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund for all recipients of a retirement allowance from any of the three (3) retirement systems where such recipient is a retired former member of one (1) or more of the three (3) retirement

systems (not a beneficiary or dependent child receiving benefits) and had two hundred and forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service but have at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred twenty (120) months of service but have at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance or by another method. Notwithstanding the foregoing provisions of this subsection, a state police retirement system member or a hazardous position employe, as defined in KRS 61.592, who becomes disabled in line of duty, as defined in KRS 16.505(20), shall have his premium paid in full as if he had two hundred forty (240) months or more of service. "Months of service" as used in this section shall mean the total months of combined service used to determine benefits under any or all of the three (3) retirement systems except service added to determine disability benefits shall not be counted as "months of service."

(4) Group rates under the hospital and medical insurance plan shall be made available to the spouse and dependents of a recipient who was a former member of one (1) or more of the three (3) retirement systems, and to the beneficiary where such beneficiary is receiving a retirement allowance, provided the premium for the spouse, dependent or beneficiary hospital and medical insurance is paid by payroll deduction from such retirement allowance or by another method. The other provisions of this section notwithstanding, the insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient who was a member of the general assembly, *of the Kentucky employes' retirement system and determined to be in a hazardous position, of the county employes' retirement system and determined to be in a hazardous position or of the state police retirement system,* or the beneficiary of such a member, as the fund pays or paid for the member.

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.

SB 353, AN ACT relating to the Kentucky oral history commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 153.380 is amended to read as follows:

(1) There is established the Kentucky [~~bicentennial~~] oral history commission, hereinafter referred to as "the commission", as a separate administrative body of state government within the meaning of KRS Chapter 12.

(2) The [~~purpose of the~~] commission, *through funds made available from the state treasury and from public or private foundations or other sources,* shall [~~be to~~] coordinate, *promote and assist in the development of* [~~the state's~~] oral history programs *across the state* [~~for the celebration of the bicentennial of the nation and the Commonwealth~~]. The commission shall *make a special effort* [~~further initiate new oral history programs designed~~] to accumulate tape recordings, photographs, and other supporting data *for use in portraying Kentucky's history* [~~of the significant history of Kentucky as observed by its people~~].

(3) The [~~membership of the~~] commission shall *consist of twelve (12) members, five (5)* [~~be~~] appointed by the governor, *five (5) appointed by the legislative research commission, and the state librarian and the director of the Kentucky historical society who shall serve as ex officio members* [~~and shall consist of representatives of institutions conducting or expecting to conduct oral history projects and from the interested citizenry at large, the latter of whom shall not consist of less than -one-fourth of the total appointees~~]. Commission members shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

(4) *Initial appointments shall be made so that three (3) members are appointed for a one (1) year term, three (3) members are appointed for a two (2) year term, two (2) members are appointed for a three (3) year term and two (2) members are appointed for a four (4) year term. The terms of the initial appointments shall be determined by lot. Thereafter, commission members shall be appointed for a four (4) year term. Upon the expiration of terms or in case of vacancies, terms shall be filled by the authority making the initial appointment.*

(5) The commission shall, upon the appointment of its members, organize and elect officers from its membership. The commission shall choose, by a majority vote, a chairperson, and a vice-chairperson annually. [~~From the membership of the commission the governor shall appoint an executive committee consisting of a chairman, vice-chairman, an oral history advisor of national standing, a state history advisor, and an executive secretary who shall be the state librarian. The commission shall elect by majority vote three other members to serve on the executive committee.~~]

(6)[~~(5)~~] The *commission* [~~executive committee~~] shall have the policy approval authority for the commission *and shall have the authority to hire staff for the commission, expend funds, and operate the normal business of the commission.*[~~, which body shall be advisory in nature, and~~] *It shall be the final grant approval authority for all funds collected by or appropriated to the commission.*

(7)[~~(6)~~] *The commission shall advise and make recommendations upon the projects to be undertaken, funding and program priorities, grant applications, budget proposals, and such other matters as it deems necessary.* The commission shall meet upon call of the chairman *or by a majority of the members of the commission*, but not less than twice each year. A majority of the members appointed shall constitute a quorum for the purpose of conducting the business of the commission.

(8) The commission may, upon such terms as may be mutually agreed upon, contract with the Kentucky historical society , or other agency of state government, for:

(a) Office space;
(b) Secretarial support;
(c) Programmatic support;
(d) Telephone and other utilities;
(e) Bookkeeping support;
(f) Storage, processing, or duplication of oral history tapes; and
(g) Other activities of a support nature not involving the actual management of the commission.

(9) All personnel, property, and funds allocated to the commission as a unit within the Kentucky historical society are hereby transferred from the Kentucky historical society to the commission.

SB 382, AN ACT relating to the Legislative Research Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 7.090 is amended to read as follows:

There is hereby created a legislative research commission as an independent agency of state government and which is exempt from control by the executive branch and from reorganization by the governor. The commission shall have the duties, responsibilities, and powers assigned to it or authorized it by the general assembly, by statute or otherwise.

(1) *The* [~~There is hereby created a~~] legislative research commission *shall be* composed of the president pro tempore of the senate, the assistant president pro tempore of the senate, the speaker of the house of representatives, the speaker pro tempore of the house of representatives, the majority and minority floor leaders of the senate and the house of representatives, the majority and minority party whip of the senate, the majority and minority party whip of the house, the majority and minority caucus chairmen of the senate and house of representatives. Any vacancy in the commission shall be filled by the remaining members thereof, Provided, if the vacancy is in the membership of the house of representatives then the successor shall be from the house, and if the vacancy is from the senate membership of the commission then the successor shall be from the senate. A member thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor. The president pro tem of the senate and the speaker of the house of representatives shall serve as co-chairmen of the commission.

(2) The legislative research commission shall meet during regular and special sessions of the general assembly, and during the intervals between sessions at such times and places as the co-chairmen may determine. Meetings of the commission shall be called by the co-chairmen on their own initiative, or at the written request of any three (3) members of the commission. For attending meetings between sessions, whether regular or special, of the general assembly, the members of the commission, or any subcommittee thereof, shall be paid their necessary traveling expenses and in addition thereto sixty-five dollars ($65.00) per day except as provided in KRS 6.225 and in KRS 6.190.

(3) The commission shall appoint a director, who shall have had graduate training in government in a recognized university or college or practical experience in governmental administration, and who shall hold office at the pleasure of the commission. The salary of the director shall be determined by the commission. The commission shall have exclusive jurisdiction over the employment of such personnel as may be necessary to effectuate the provisions of KRS 7.090 to 7.110.

(4) Any professional, clerical or other employes required by any committee appointed by the general assembly shall be provided to the committee by the legislative research commission. The chairman of the committee shall advise the director of the legislative research commission of his need for such personnel. In the event that the personnel required by any committee cannot be met by the staff of the legislative research commission, the director shall employ such personnel as necessary to meet the needs of the committee, and shall fix the rate of compensation of such employes.

(5) The director shall, at the discretion of the commission and under its supervision and control, provide for the allocation of the work and activities of all employes of the commission.

(6) The commission may, in effectuating the provisions of KRS 7.090 to 7.110, contract with any public or private agency or educational institution or any individual for research studies, the gathering of information or the printing and publication of its reports.

(7) The legislative research commission shall constitute administrative offices for the general assembly and the director shall serve as administrative officer for the assembly when it is not otherwise in session.

Section 2. KRS 7.100 is amended to read as follows:

It shall be the duty of the legislative research commission to:

(1) Maintain in the state Capitol or state Capitol Annex for the use and information of the general assembly, a legislative reference room and working library; collect, summarize and index information of a legislative and governmental nature relating to legislation and legislative policies and index all bills introduced in the general assembly. Permanent office space for the legislative research commission and for the director thereof and employes or subcommittees shall be provided on the third floor of the state Capitol. When the general assembly is not in session, the commission shall have jurisdiction over the use of the house and senate chambers and over the allocation of all rooms used by the general assembly while in session. The commission may provide for such other office space as it may deem necessary.

(2) Make or cause to be made such investigations into statute law, legislation, governmental agencies and institutions and matters of public policy as will aid the general assembly in performing its duties in the most efficient and economical manner. In making such studies and investigations between the regular sessions of the general assembly, the commission shall give priority to those subjects requested by the general assembly.

(3) Afford to any member of the general assembly or any committee of either house of the general assembly such information and assistance as may be practicable in the preparation of bills, memorials, resolutions, amendments, alterations and changes thereto and revisions and substitutes thereof, proposed to be introduced into the general assembly.

(4) The commission, at the close of each legislative session, shall assume custody of all furniture, equipment, records, materials and supplies, and printed copies of bills in the possession of the clerks of the senate and house. Immediately prior to the convening of the next session, the commission shall transfer all furniture, equipment, materials and supplies to the clerks of the respective houses. The commission may, when the general assembly is not in session, authorize the expenditure of funds appropriated to the general assembly for the purchase, repair or maintenance of furniture, equipment, materials and supplies and contract for services needed by the general assembly.

(5) The commission shall prepare and publish or contract for the preparation and publishing of a daily index and digest of the content of and legislative action on all measures introduced in the general assembly.

(6) After each election the commission shall conduct a pre-session orientation conference for members of the general assembly.

(7) The commission shall notify the members of the general assembly of the reports filed with the commission for distribution to the members of the general assembly and of the reports and publications of the commission which are available for the members of the general assembly. Each member of the general assembly shall indicate upon a form provided by the commission which reports shall be forwarded to the member.

(8) Conduct, while the general assembly is not in session, any and all business of the legislative department of government, except for the passage of legislation, which could be conducted by the legislative department of government or the general assembly if the general assembly was in session.

(9) Conduct such other business and possess such other powers and duties as may be assigned or authorized by the general assembly by statute or otherwise.

Motions, Petitions and Communications (continued)

Representative Hines moved the adoption of the following **HR 109:**

HR 109, A RESOLUTION to honor the University of Louisville Cardinal basketball team.

WHEREAS, the Cardinals, in mauling Middle Tennessee, mashing Minnesota and axing Alabama-Birmingham, have won the NCAA Mideast Regional and thereby earned a berth in the "final four" of the NCAA tournament to be played in the Super Dome in New Orleans; and

WHEREAS, no matter what happens in the upcoming championship games, no one can deny that the Cardinals are as talented and disciplined a team as has ever come out of Kentucky and are a source of pride to all Kentuckians; and

WHEREAS, it is difficult to single out individual players because the Cardinals are in the best sense of the word a "team" with all players dedicated to the good of the team, special note must be made of the seniors, Derek Smith, Jerry Eaves, Wiley Brown, and David "Poncho" Wright; and

WHEREAS, finally, highest praise must be offered to Coach Denny Crum whose monumental skills as coach have molded these talented young men into one of the best basketball teams in the land;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House extends its whole-hearted congratulations to the U of L Cardinal team for their victories in the NCAA tournament, and wishes the team the best of luck in their game against Georgetown University Saturday and in the final game Monday night. So to Coach Denny Crum, and Wiley Brown, Jerry Eaves, Rodney McCray, Scooter McCray, Derek Smith, Lancaster Gordon, Charles Jones, Milt Wagner, David "Poncho" Wright, Manuel Forrest and the other players and coaches, this body says GO CARDS!

Section 2. That when the House of Representatives does adjourn this day, Thursday, March 25, 1982, it does so in honor of the NCAA Mideast Regional Champs, the University of Louisville Cardinals.

Section 3. That the Clerk of the House be directed to deliver a copy of this resolution to Denny Crum and each player of the team.

HR 109 was adopted by voice vote.

A call of the roll was taken to show co-sponsors of **HR 109.**

The following members have requested to be listed as co-sponsors of **HR 109:** Allen, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Caldwell, Clark, Craddock, Curd, Cyrus, Donnermeyer, Farrow, Foster, Guenthner, Haering, Hancock, Heleringer, T. Jones, Kenton, Kidd, Layman, Lile, List, Long, Mann, McBee, Moberly, Moore, Patrick, Pearman, Petty, Richards, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Yates.

Representative List moved that the House adopt the following report of the Special Board of the House of Representatives drawn by lot to inquire into and return a Judgment regarding the Complaint of Dexter Wright v. Dan Malano Seum:

REPORT

MR. SPEAKER:

The Special Board of the House of Representatives, drawn by Lot, to inquire into and return a Judgment regarding the Complaint of Dexter Wright versus Dan Malano Seum, has completed it work and tenders to you for consideration by the House of Representatives the following Judgment:

JUDGMENT

It is the Judgment of the Special Board that Representative Dan Malano Seum retain his seat in the House of Representatives in the General Assembly, Commonwealth of Kentucky as the duly qualified and elected Representative of the Thirty Eighth Legislative District located in Jefferson County, Kentucky and that the Complaint of Dexter Wright, Counts One, Two and Three inclusive be dismissed with prejudice and the costs of this action to be divided equally between the parties, Seum and Wright.

FINDINGS OF FACT

The Plaintiff alleged three counts in his Complaint which are as follows:

COUNT I

The actions of the defendant, Danny "Malano" Seum, have violated KRS 121.190 is that at all times during his candidacy, the defendant distributed handbills and circulars and exhibited billboards and posters that did not display the statutorily required "Paid for by" identification of the payor or the committee, organization or association on whose behalf the communication appears. This "Paid for by" identification is clearly required on all such campaign materials pursuant to KRS 121.190. (See Appendix A.)

COUNT II

That on or about September 28, 1981, the defendant did publicly promise to contribute $100.00 to the Cloverleaf Acres Community Council. Such a promise is clearly in violation of KRS 121.055 and KRS 121.150 in that any candidate for nomination or election to any state, county, city or district office is prohibited from paying, promising to pay or becoming pecuniarily liable to any person in order to influence that person's vote or in consideration of the financial or moral support of these persons.

COUNT III

That on or about January 25, 1981, the defendant as a candidate donated $250.00 to the South Louisville Community Ministries, 801 Camden Avenue, Louisville, Kentucky. Such a promise is clearly in violation of KRS 121.055 and KRS 121.150(2) in that solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, or eleemosynary organizations is expressly prohibited.

The facts that were developed by the Plaintiff at the hearing held March 15, 1982 were as follows:

That a number of "yard signs" espousing the candidacy of Dan Malano Seum for State Representative were posted throughout the Thirty-Eighth Legislative District. That the exact number of signs, anywhere from two to possibly twelve, did not bear the words "Paid for by". That in addition, letters were mailed to voters by Seum which did not contain the "Paid for by" designation but which clearly identified the letter as being from candidate Seum and was in fact signed by the candidate.

Other facts developed by the Plaintiff were that on at least three occasions, during the fall of 1981, Wright and Seum both attended meetings at churches in the Cloverleaf Acres community, that these meetings were of persons attempting to organize for the purpose of effecting changes with regard to certain housing which had been zoned for their neighborhood and the perceived problems of drainage nad traffic. Candidates for public office had been invited to attend these meetings and there was testimony on behalf of the Plaintiff, that several candidates for public office, both city, county and state, did in fact attend those meetings. The evidence further revealed that candidate Seum offered to contribute the sum of $100.00 to assist the group's effort in obtaining an attorney to prepare Articles of Incorporation and organize the group in its effort to change the zoning plan which would permit locating the housing in this area. The Plaintiff advised the Chairman of the meeting at which the check for $100.00 was tendered that Seum should not make that contribution because it might be in violation of State law due to the nature of the organization. There was testimony that the Chairman contacted Seum, advised him of the potential problem and Seum picked up his check.

There is evidence, by deposition that a check was written by Seum to the South Louisville Community Ministries sometime in January of 1981 which was before the Democrat Primary and was for a special membership and advertisement.

The Plaintiff testified that he was aware of the alleged violations early in the campaign but did not file any Complaint with the Registry of Election Finance or advise Seum or his office of any of the alleged violations.

The evidence developed by the Defendant was that in the fall of 1981 approximately six yard signs were taken from the porch of his home. That the yard signs which had been delivered to his home had not had the "Paid for by" stenciled on them but that all other signs were stenciled by his campaign workers on his instructions prior to their placement in yards. That the six signs stolen were not recovered and had not been stenciled.

The Defendant stated that the letters which were sent out over his signature contained, in addition to the letter, other campaign materials which included a brochure with "Paid for by" on it and a nail file with his name on it. Several returned envelopes were introduced into evidence and are a part of this record. The Defendant stated that it was his understanding of the law that as long as the packet of material contained one piece with the required "Paid for by", that that covered all material included in the envelope. The Defendant further testified that while he had offered to donate $100.00 to the group in the Cloverleaf Community for purposes of employing an attorney, he did not believe that it was in violation of any State law, but that when it was brought to his attention by the Chairman of the meeting that it might be he retrieved his check and voided it. The Defendant also testified that his contribution to the South Louisville Community Ministries was not a contribution but was for an advertisement which was placed in a circular distributed by the organization to member churches and was advertising his business and not espousing his candidacy. The check which was written was a business check.

CONCLUSIONS OF LAW

This Board is charged by the Constitution of the Commonwealth of Kentucky, Section 38, to "judge of the qualifications, elections and returns of its members..." The constitution of Kentucky, Section 32, provides certain constitutional qualifications which must be met before a person may serve in the House of Representatives such as citizenship, length of residency, and age. However, the House's right to pass upon the qualifications of its members is not restricted to the constitutional qualifications, *Raney vs. Stovall*, 361 S.W. 2d 518 (Ky. 1962).

In the present case, the charges that have been made have been couched in terms of specific statutory violations in the Campaign Finance Regulation Chapter. However, it is the Board's conclusion that under its equitable powers it is not restricted to the specific statutory language nor to the penalties prescribed therein. To conclude otherwise would place the Board in a posture of enforcing laws which under proper circumstances might require the imposition of criminal penalties which this Board is not empowered by the constitution to impose. Thereafore, while reference to violations of specific statutes may provide a convenient framework for pleadings, the Board is not required to impose the penalties prescribed therein. If the Board were to conclude based upon a preponderance of the evidence that alleged violations had in fact occurred its only recommendation to the full House could be that the incumbent's seat be vacated. This would then result in a special election as provided in other statutes.

The Board concludes based upon the evidence presented in Count I of the Plaintiff's Complaint that the Defendant did not intentionally refuse or fail to have imprinted on his "yard signs" the disclaimer "Paid for by". The Board further finds that some of the signs were stolen and the Defendant can not be held reponsible for their use. All Board members understand and appreciate that during a hotly contested campaign yard signs are sometimes removed or stolen and maybe even used by overzealous campaign workers in an attempt to embarrass their opposition.

The material referenced in Count I which was mailed to the voters clearly contained a disclaimer and that was sufficient notice to the recipient of the material as to its source. It is the Board's conclusion that Count I should be and is hereby dismissed.

With regard to Count II, the Board had its greatest difficulty. Was the Cloverleaf Acres Community Group an organization which would clearly fall within the prescribed groups as defined in KRS 121.150(3) or was it a political action group? Testimony regarding the group's purpose was not clear and convincing for the Plaintiff. Count II is dismissed.

The Board's opinion is that Count III should be dismissed. The Plaintiff only proved that Mr. Seum paid for an advertisement on behalf of his business. The advertisement made no reference to his candidacy or solicited votes.

Finally, it must be stated that equity requires that no one should be permitted to sit back until after the election is concluded and only then complain that there have been violations. It is the duty of every candidate to be aware of the law and to immediately bring violations to the attention of his opponent for correction and failing that to report those violations to the Registry of Election or other appropriate State agency. This Board has spent a great deal of time hearing evidence and attempting to reach conclusions relating to alleged violations which were within the knowledge of the parties and for which there was a speedy statutorily accepted method of correction.

Respectfully submitted,

s/Henry C. List

Henry C. List, Chairman

The motion that the report of the Special Board of the House of Representatives be adopted was adopted.

Representative LeMaster moved that the rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Health and Welfare reported **SB 7**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 7, AN ACT relating to drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 217.814 is amended to read as follows:

The following words and phrases, as used in KRS 217.815 to 217.826, shall have the following meanings, unless the context requires otherwise:

(1) "Brand name" means the name that a manufacturer of a drug or pharmaceutical places on the container thereof at the time of packaging.

(2) "Generic name" means the chemical or established name of a drug or pharmaceutical.

(3) "Practitioner" means any person licensed under the professional laws of this state to prescribe and administer medicine and drugs.

(4) "Pharmacist" means any person licensed as such by the Kentucky Board of Pharmacy.

(5) *"Equivalent drug product" means a product with the same generic name, active ingredients, strength, quantity and dosage form as the drug product identified in a prescription* [~~"Council" means the Kentucky Drug Formulary Council~~].

(6) "Board" means the Kentucky board of pharmacy.

(7) "Nonequivalent drug product formulary" means a formulary of drugs, drug products, and dosage formulations for which there are no equivalent drugs, drug products, or dosage formulations and which have been determined to be noninterchangeable or to have actual or potential bioequivalency problems by the United States food and drug administration and are contained in a drug bioequivalence problems list as published in the United States food and drug administration publication entitled "Approved prescription drug products with therapeutic equivalence evaluations" with supplements.

(8) "Dosage formulation" shall include, but not be limited to, those specific dosage forms which, by the nature of their physical manufacture are deemed to be nonequivalent to other similar formulations such as controlled release tablets, aerosol-nebulizer drug delivery systems and enteric coated oral dosage forms.

Section 2. KRS 217.819 is amended to read as follows:

(1) The *board* [~~council~~] shall prepare *by regulation* a *nonequivalent drug product* formulary of drugs [~~and pharmaceuticals~~] with their generic [~~or chemical~~] names *for which there are no equivalent drug products, and which should not be interchanged by pharmacists. The formulary shall list all drugs, drug products, and dosage formulations that the United States food and drug administration has determined to be therapeutically inequivalent*[~~, if any, that are determined by the council to be therapeutically equivalent to specified brand name drugs and pharmaceuticals~~].

(2) The *board* [~~council~~] shall provide for *annual* distribution of copies of such formulary and revisions and additions thereto among *pharmacies* [~~practitioners and pharmacists~~] licensed [~~to practice~~] within the commonwealth and shall supply a copy to any person on request upon payment of the price established by the *board* [~~council~~]. Such formulary shall be revised from time to time, as new and pertinent information on drugs, *drug products, and dosage formulations* [~~and pharmaceuticals~~] becomes available.

Section 3. KRS 217.821 is amended to read as follows:

Any person or party in interest aggrieved by *the publication of the nonequivalent drug product formulary* [~~a finding or report~~] of the *board of pharmacy* [~~Council~~] shall be entitled to a judicial review in Franklin County Circuit Court.

Section 4. KRS 217.822 is amended to read as follows:

(1) When a pharmacist receives a prescription for a brand name drug *which is not listed by generic name* [~~for which one (1) or more equivalent drugs are listed~~] in the *nonequivalent drug product* formulary prepared by the *board* [~~drug formulary council~~], he shall select *a lower* [~~the lowest~~] priced therapeutically

equivalent drug [~~listed by the drug formulary council~~] which he has in stock, unless otherwise instructed by the purchaser or his physician, provided however that if such *selection* [~~substitution~~] is made, the label on the container of the drug shall show [~~both the name of the prescribed drug and~~] the name of the drug dispensed [~~in lieu thereof~~].

(2) When an equivalent drug product is dispensed in lieu of a brand name drug prescribed, the price of the equivalent drug product dispensed shall be lower in price to the purchaser than the drug product prescribed.

(3) If, in the opinion of a practitioner, it is to the best interest of his patient that an equivalent drug should not be dispensed, he may indicate in the manner of his choice on the prescription "Do Not Substitute," except that the indication shall not be pre-printed on a prescription.

(4) The *selection* [~~substitution~~] of any drug by a pharmacist under the provisions of this section *shall* [~~does~~] not constitute the practice of medicine.

(5) A pharmacist who selects an equivalent drug product pursuant to this Act assumes no greater liability for selecting the dispensed drug product than would be incurred in dispensing a prescription for a drug product prescribed by its generic name.

(6) When a pharmacist receives a generically written prescription for a multiple source drug product, he shall dispense an equivalent drug product in accordance with the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) Routine inspections of pharmacies for compliance with KRS 217.815 to 217.826 shall be undertaken by the Kentucky board of pharmacy.

(2) Every pharmacy shall retain for a period of two (2) years from the effective date of this Act a pharmacy record of all prescribed drug products dispensed. The pharmacy record shall be retained for the purpose of providing valid data for bona fide research and reporting to the general assembly as to the effectiveness of this Act. The pharmacy record shall include:

(a) The brand name of the drug, when applicable.
(b) The name of the manufacturer or the supplier of the drug, if the drug has no brand name.
(c) The strength of the drug, when significant.
(d) The quantity dispensed, when applicable.
(e) The serial number of the prescription.
(f) The date the prescription was originally dispensed and refilled.
(g) The name of prescribing physician.
(h) The name of patient for whom the drug was prescribed.
(i) The price for which the drug was sold to the purchaser.
(j) A notation if the practitioner indicated "Do not substitute" or the purchaser refused the product selected.

SECTION 6. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

The division of consumer protection of the office of the attorney general may develop and distribute to licensed pharmacies a pamphlet for citizens of the Commonwealth which explains the provisions of this Act. Pharmacists shall display such distributed pamphlets in a prominent place and make them available without charge. Pharmacies shall maintain a sufficient stock of the distributed pamphlets to assure that the supply will not become exhausted for any lengthy time.

Section 7. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.

5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) [~~Generic formulary council.~~
~~(f)~~] Kentucky cancer commission.
(f)[~~(g)~~] Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.

13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 8. KRS 194.110 is amended to read as follows:

(1) [~~The Kentucky drug formulary council and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The Kentucky drug formulary council shall advise the council for health services, the secretary for human resources, and the commissioner for health services on the administration and operations of the generic drug formulary program. The composition, structure, authority, responsibilities, activities, programs, and resources of the Kentucky drug formulary council shall continue and remain in its present form except that it shall not have the authority to expend funds, hire employes, issue grants, or otherwise engage in the normal administrative process of the department. This authority and responsibility shall reside exclusively with the secretary for human resources and such employes of the department designated by the secretary to hold these powers.~~

~~(2)~~] The Kentucky certificate of need and licensure board and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The Kentucky certificate of need and licensure board shall advise the council for health services, the secretary for human resources, and the commissioner for health services on the administration and operations of the certificate of need and licensure program. The composition, structure, authority, responsibilities, activities, programs, and resources of the Kentucky certificate of need and licensure board shall continue and remain in its present form, except that it shall not have authority to expend funds, hire employes, issue grants, or otherwise engage in the normal administrative processes of the department. This authority and responsibility shall reside exclusively with the secretary for human resources and such employes of the department designated by the secretary to hold these powers.

(2)[~~(3)~~] The advisory council for medical assistance and its associated bodies are hereby attached to the bureau for social insurance for administrative and support purposes. The advisory council for medical assistance shall advise the council for social insurance, the secretary for human resources and the commissioner for social insurance on the administration and operations of the medical assistance program.

(3)[~~(4)~~] The comprehensive health planning council and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The comprehensive health planning council shall advise the council for health services, the Kentucky certificate of need and licensure board, the secretary for human resources, and the commissioner for health services on the total health service, facility, and resource needs of the Commonwealth and the allocation of resources to address those needs.

Section 9. KRS 194.120 is amended to read as follows:

The Kentucky certificate of need and licensure board [~~and the Kentucky drug formulary council~~] shall be the only statutory *body* [~~bodies~~] attached to the department that shall have the authority to issue administrative regulations. No other corporate body or instrumentality of the Commonwealth, advisory committee, interstate compact, or other statutory body, presently or hereinafter attached to the department, shall issue administrative regulations, but shall operate only in an advisory capacity.

Section 10. KRS 194.190 is amended to read as follows:

The citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board shall be empowered to accept gifts and grants, but all such monies shall be administered by the department, which shall administer these funds through appropriate trust and agency accounts.

Section 11. KRS 194.210 is amended to read as follows:

Whenever the kidney disease advisory council, the family planning committee, the tuberculosis commission, the Kentucky manpower commission, the Kentucky advisory committee on day care, the Kentucky children's advisory council, the state advisory committee for public assistance, the Kentucky commission on employment of the handicapped, the advisory committee to the Kentucky commission on employment of the handicapped, the advisory council on mental retardation, the developmental disabilities services act advisory council, the Kentucky commission on alcoholism and drug problems, the commission on aging, the advisory committee on aging, the commission on handicapped children, the commission on children and youth, the state board of health, the radiation operators' advisory committee, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, as they relate to the functions transferred in whole or in part by 1974 Acts ch. 74, or members thereof are referred to or designated in any law, regulation, contract, or order pertaining to the functions, powers, obligations, and duties vested in the citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council for medical assistance, the comprehensive health planning commission, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, in accordance with 1974 Acts ch. 74, such references or designations shall be deemed to refer to the citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council on medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, or the department for human resources, or the secretary for human resources, as may be appropriate.

Section 12. KRS 194.260 is amended to read as follows:

Any business, litigation, or other matters undertaken or commenced by or against the kidney disease advisory council, the family planning committee, the tuberculosis commission, the Kentucky manpower commission, the Kentucky advisory committee on day care, the Kentucky children's advisory council, the state advisory committee for public assistance, the Kentucky commission on employment of the handicapped, the advisory committee to the Kentucky commission on employment of the handicapped, the advisory council on mental retardation, the developmental disabilities act advisory council, the Kentucky commission on alcoholism and drug problems, the commission on aging, the advisory committee on aging, the commission on handicapped children, the commission on children and youth, the state board of health, the radiation operators' advisory committee, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board and still pending on June 21, 1974, shall be completed and conducted by the department.

Section 13. KRS 217.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 217.350 shall be fined not more than twenty-five dollars ($25.00).

(2) Any person who violates any of the provisions of subsection (2) of KRS 217.390 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100), or imprisoned for not more than fifty (50) days, or both.

(3) Except as provided in subsections (1) and (2) of this section, any person who violates any of the provisions of KRS 217.280 to 217.390 or who refuses to comply with any lawful order or requirement duly made in writing as provided in KRS 217.380, shall, for the first offense, be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100), or imprisoned for not more than thirty (30) days, or both, and for any subsequent offense shall be fined not less than fifty dollars ($50.00) nor more than two hundred dollars ($200), or imprisoned for not more than ninety (90) days, or both. Each day after the expiration of the time limit for abating unsanitary conditions and completing improvements to abate such conditions, as ordered under KRS 217.380, shall be a separate offense.

(4) Any person who violates any of the provisions of KRS 217.400 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100).

(5) Any person who violates any of the provisions of KRS 217.420 to 217.440 shall be fined not less than two hundred dollars ($200) nor more than one thousand dollars ($1,000), or imprisoned in the county jail for not more than one (1) year, or both.

(6) Any person who violates any of the provisions of KRS 217.450 shall be fined one hundred dollars ($100).

(7) Any person who violates any provision of KRS 217.801 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(8) Any person who violates any of the provisions of KRS 217.808 to 217.812, or any rule or regulation adopted thereunder, or who operates a vending machine company or vending machine commissary without a permit as prescribed in KRS 217.808 to 217.812, or who fails to comply with any order of the department or of any local health department issued pursuant thereto shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100). Each day of violation or noncompliance shall constitute a separate offense.

(9) Wilful noncompliance with KRS 217.816 shall constitute a violation and shall subject the violator to a fine of not over fifty dollars ($50.00) for the first offense and not over two hundred dollars ($200) for a subsequent offense.

(10) Any person who[~~, thirty (30) days after the name of a drug has been published and distributed by the formulary council, as having a generic equivalent,~~] wilfully fails to comply with the provisions of *this Act* [~~KRS 217.822~~] shall be guilty of a violation and shall be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

(11) Any person who violates any of the provisions of KRS 217.177 shall be fined not less than twenty-five dollars ($25.00) nor more than five hundred dollars ($500) or be imprisoned in the county jail for not less than five (5) nor more than thirty (30) days, or both.

Section 14. The following KRS Sections are repealed:

217.818 Kentucky drug formulary council established — Membership— Vacancies — Compensation.

217.824 Council to adopt bylaws — Staff — Chairman's term — Attached to department for human resources.

217.894 Sign required notifying public that pharmacy is required to dispense lowest priced generic drug.

Committee Substitute to **SB 7** is as follows:

SB 7, AN ACT relating to drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 217.814 is amended to read as follows:

The following words and phrases, as used in KRS 217.815 to 217.826, shall have the following meanings, unless the context requires otherwise:

(1) "Brand name" means the name that a manufacturer of a drug or pharmaceutical places on the container thereof at the time of packaging.

(2) "Generic name" means the chemical or established name of a drug or pharmaceutical.

(3) "Practitioner" means any person licensed under the professional laws of this state to prescribe and administer medicine and drugs.

(4) "Pharmacist" means any person licensed as such by the Kentucky Board of Pharmacy.

(5) *"Equivalent drug product" means a product with the same generic name, active ingredients, strength, quantity and dosage form as the drug product identified in a prescription* [~~"Council" means the Kentucky Drug Formulary Council~~].

(6) "Board" means the Kentucky board of pharmacy.

(7) "Nonequivalent drug product formulary" means a formulary of drugs, drug products, and dosage formulations for which there are no equivalent drugs, drug products, or dosage formulations and which have been determined to be noninterchangeable or to have actual bioequivalency problems by the United States food and drug administration and are contained in a drug bioequivalence problems list as published in the United States food and drug administration publication entitled "Approved prescription drug products with therapeutic equivalence evaluations" with supplements.

(8) "Dosage formulation" shall include, but not be limited to, those specific dosage forms which, by the nature of their physical manufacture are deemed to be nonequivalent to other similar formulations such as controlled release tablets, aerosol-nebulizer drug delivery systems and enteric coated oral dosage forms.

(9) "Formulary of substitutable multiple source drug entities" means a listing of multiple source drug entities by strength and dosage forms, when for such multiple source drug entities drug product interchange is permitted within each entity as determined by the United States food and drug administration publication entitled "Approved prescription drug products with therapeutic equivalence evaluations" with supplements.

Section 2. KRS 217.819 is amended to read as follows:

(1) The *board* [~~council~~] shall prepare *by regulation a formulary of substitutable multiple source drug entities and* a *nonequivalent drug product* formulary of drugs [~~and pharmaceuticals~~] with their generic [~~or chemical~~] names *for which there are no equivalent drug products, and which should not be interchanged by pharmacists. The nonequivalent drug product formulary shall list all drugs, drug products, and dosage formulations that the United States food and drug administration has determined to be therapeutically inequivalent*[~~, if any, that are determined by the council to be therapeutically equivalent to specified brand name drugs and pharmaceuticals~~].

(2) The *board* [~~council~~] shall provide for *annual* distribution of copies of such *formularies* [~~formulary~~] and revisions and additions thereto among *pharmacies* [~~practitioners and pharmacists~~] licensed [~~to practice~~] within the commonwealth and shall supply a copy to any person on request upon payment of the price established by the *board* [~~council~~]. Such *formularies* [~~formulary~~] shall be revised from time to time, as new and pertinent information on drugs, *drug products, and dosage formulations* [~~and pharmaceuticals~~] becomes available.

Section 3. KRS 217.821 is amended to read as follows:

Any person or party in interest aggrieved by *the publication of either formulary* [~~a finding or report~~] of the *board of pharmacy* [~~Council~~] shall be entitled to a judicial review in Franklin County Circuit Court.

Section 4. KRS 217.822 is amended to read as follows:

(1) When a pharmacist receives a prescription for a brand name drug *which is not listed by generic name* [~~for which one (1) or more equivalent drugs are listed~~] in the *nonequivalent drug product* formulary prepared by the *board* [~~drug formulary council~~], he shall select *from the formulary of substitutable multiple source drug entities a lower* [~~the lowest~~] priced therapeutically equivalent drug [~~listed by the drug formulary council~~] which he has in stock, unless otherwise instructed by the purchaser or his physician, provided however that if such *selection* [~~substitution~~] is made, the label on the container of the drug shall show [~~both the name of the prescribed drug and~~] the name of the drug dispensed [~~in lieu thereof~~].

(2) *When an equivalent drug product is dispensed in lieu of a brand name drug prescribed, the price of the equivalent drug product dispensed shall be lower in price to the purchaser than the drug product prescribed.*

(3) If, in the opinion of a practitioner, it is to the best interest of his patient that an equivalent drug should not be dispensed, he may indicate in the manner of his choice on the prescription "Do Not Substitute," except that the indication shall not be pre-printed on a prescription.

(4) The *selection* [~~substitution~~] of any drug by a pharmacist under the provisions of this section *shall* [~~does~~] not constitute the practice of medicine.

(5) A pharmacist who selects an equivalent drug product pursuant to this Act assumes no greater liability for selecting the dispensed drug product than would be incurred in dispensing a prescription for a drug product prescribed by its generic name.

(6) When a pharmacist receives a generically written prescription for a multiple source drug product, he shall dispense an equivalent drug product in accordance with the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

(1) Routine inspections of pharmacies for compliance with KRS 217.815 to 217.826 shall be undertaken by the Kentucky board of pharmacy.

(2) Every pharmacy shall retain for a period of two (2) years from the effective date of this Act a pharmacy record of all prescribed drug products dispensed. The pharmacy record shall be retained for the purpose of providing valid data for bona fide research and reporting to the general assembly as to the effectiveness of this Act. The pharmacy record shall include:

(a) The brand name of the drug, when applicable.
(b) The name of the manufacturer or the supplier of the drug, if the drug has no brand name.
(c) The strength of the drug, when significant.
(d) The quantity dispensed, when applicable.
(e) The serial number of the prescription.
(f) The date the prescription was originally dispensed and refilled.
(g) The name of prescribing physician.
(h) The name of patient for whom the drug was prescribed.
(i) The price for which the drug was sold to the purchaser.
(j) A notation if the practitioner indicated "Do not substitute" or the purchaser refused the product selected.

SECTION 6. A NEW SECTION OF KRS CHAPTER 217 IS CREATED TO READ AS FOLLOWS:

The division of consumer protection of the office of the attorney general shall develop and distribute to licensed pharmacies without charge a pamphlet for citizens of the Commonwealth which explains the provisions of this Act. Pharmacists shall display such distributed pamphlets in a prominent place and make them available without charge. Pharmacies shall maintain a sufficient stock of the distributed pamphlets to assure that the supply will not become exhausted for any lengthy time.

Section 7. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.

(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) [~~Generic formulary council.~~
~~(f)~~] Kentucky cancer commission.
(f)[~~(g)~~] Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.
(e) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.

(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.
9. Commission on women.

Section 8. KRS 194.110 is amended to read as follows:

(1) [~~The Kentucky drug formulary council and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The Kentucky drug formulary council shall advise the council for health services, the secretary for human resources, and the commissioner for health services on the administration and operations of the generic drug formulary program. The composition, structure, authority, responsibilities, activities, programs, and resources of the Kentucky drug formulary council shall continue and remain in its present form except that it shall not have the authority to expend funds, hire employes, issue grants, or otherwise engage in the normal administrative process of the department. This authority and responsibility shall reside exclusively with the secretary for human resources and such employes of the department designated by the secretary to hold these powers.~~

~~(2)~~] The Kentucky certificate of need and licensure board and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The Kentucky certificate of need and licensure board shall advise the council for health services, the secretary for human resources, and the commissioner for health services on the administration and operations of the certificate of need and licensure program. The composition, structure, authority, responsibilities, activities, programs, and resources of the Kentucky certificate of need and licensure board shall continue and remain in its present form, except that it shall not have authority to expend funds, hire employes, issue grants, or otherwise engage in the normal administrative processes of the department. This authority and responsibility shall reside exclusively with the secretary for human resources and such employes of the department designated by the secretary to hold these powers.

(2)[~~(3)~~] The advisory council for medical assistance and its associated bodies are hereby attached to the bureau for social insurance for administrative and support purposes. The advisory council for medical assistance shall advise the council for social insurance, the secretary for human resources and the commissioner for social insurance on the administration and operations of the medical assistance program.

(3)[~~(4)~~] The comprehensive health planning council and its associated bodies are hereby attached to the bureau for health services for administrative and support purposes. The comprehensive health planning

council shall advise the council for health services, the Kentucky certificate of need and licensure board, the secretary for human resources, and the commissioner for health services on the total health service, facility, and resource needs of the Commonwealth and the allocation of resources to address those needs.

Section 9. KRS 194.120 is amended to read as follows:

The Kentucky certificate of need and licensure board [~~and the Kentucky drug formulary council~~] shall be the only statutory *body* [~~bodies~~] attached to the department that shall have the authority to issue administrative regulations. No other corporate body or instrumentality of the Commonwealth, advisory committee, interstate compact, or other statutory body, presently or hereinafter attached to the department, shall issue administrative regulations, but shall operate only in an advisory capacity.

Section 10. KRS 194.190 is amended to read as follows:

The citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board shall be empowered to accept gifts and grants, but all such monies shall be administered by the department, which shall administer these funds through appropriate trust and agency accounts.

Section 11. KRS 194.210 is amended to read as follows:

Whenever the kidney disease advisory council, the family planning committee, the tuberculosis commission, the Kentucky manpower commission, the Kentucky advisory committee on day care, the Kentucky children's advisory council, the state advisory committee for public assistance, the Kentucky commission on employment of the handicapped, the advisory committee to the Kentucky commission on employment of the handicapped, the advisory council on mental retardation, the developmental disabilities services act advisory council, the Kentucky commission on alcoholism and drug problems, the commission on aging, the advisory committee on aging, the commission on handicapped children, the commission on children and youth, the state board of health, the radiation operators' advisory committee, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, as they relate to the functions transferred in whole or in part by 1974 Acts ch. 74, or members thereof are referred to or designated in any law, regulation, contract, or order pertaining to the functions, powers, obligations, and duties vested in the citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council for medical assistance, the comprehensive health planning commission, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, in accordance with 1974 Acts ch. 74, such references or designations shall be deemed to refer to the citizens' commission for human resources, the institute for aging, the institute for children, the council for health services, the council for social insurance, the council for manpower services, the council for social services, the advisory council on medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board, or the department for human resources, or the secretary for human resources, as may be appropriate.

Section 12. KRS 194.260 is amended to read as follows:

Any business, litigation, or other matters undertaken or commenced by or against the kidney disease advisory council, the family planning committee, the tuberculosis commission, the Kentucky manpower commission, the Kentucky advisory committee on day care, the Kentucky children's advisory council, the state advisory committee for public assistance, the Kentucky commission on employment of the handicapped, the advisory committee to the Kentucky commission on employment of the handicapped, the advisory council on mental retardation, the developmental disabilities act advisory council, the Kentucky commission on alcoholism and drug problems, the commission on aging, the advisory committee on aging, the commission on handicapped children, the commission on children and youth, the state board of health, the radiation operators' advisory committee, the advisory council for medical assistance, the comprehensive health planning council, [~~the Kentucky drug formulary council,~~] and the Kentucky certificate of need and licensure board and still pending on June 21, 1974, shall be completed and conducted by the department.

Section 13. KRS 217.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 217.350 shall be fined not more than twenty-five dollars ($25.00).

(2) Any person who violates any of the provisions of subsection (2) of KRS 217.390 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100), or imprisoned for not more than fifty (50) days, or both.

(3) Except as provided in subsections (1) and (2) of this section, any person who violates any of the provisions of KRS 217.280 to 217.390 or who refuses to comply with any lawful order or requirement duly made in writing as provided in KRS 217.380, shall, for the first offense, be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100), or imprisoned for not more than thirty (30) days, or both, and for any subsequent offense shall be fined not less than fifty dollars ($50.00) nor more than two

hundred dollars ($200), or imprisoned for not more than ninety (90) days, or both. Each day after the expiration of the time limit for abating unsanitary conditions and completing improvements to abate such conditions, as ordered under KRS 217.380, shall be a separate offense.

(4) Any person who violates any of the provisions of KRS 217.400 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100).

(5) Any person who violates any of the provisions of KRS 217.420 to 217.440 shall be fined not less than two hundred dollars ($200) nor more than one thousand dollars ($1,000), or imprisoned in the county jail for not more than one (1) year, or both.

(6) Any person who violates any of the provisions of KRS 217.450 shall be fined one hundred dollars ($100).

(7) Any person who violates any provision of KRS 217.801 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(8) Any person who violates any of the provisions of KRS 217.808 to 217.812, or any rule or regulation adopted thereunder, or who operates a vending machine company or vending machine commissary without a permit as prescribed in KRS 217.808 to 217.812, or who fails to comply with any order of the department or of any local health department issued pursuant thereto shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100). Each day of violation or noncompliance shall constitute a separate offense.

(9) Wilful noncompliance with KRS 217.816 shall constitute a violation and shall subject the violator to a fine of not over fifty dollars ($50.00) for the first offense and not over two hundred dollars ($200) for a subsequent offense.

(10) Any person who[~~, thirty (30) days after the name of a drug has been published and distributed by the formulary council, as having a generic equivalent,~~] wilfully fails to comply with the provisions of *this Act* [~~KRS 217.822~~] shall be guilty of a violation and shall be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each violation.

(11) Any person who violates any of the provisions of KRS 217.177 shall be fined not less than twenty-five dollars ($25.00) nor more than five hundred dollars ($500) or be imprisoned in the county jail for not less than five (5) nor more than thirty (30) days, or both.

Section 14. The following KRS Sections are repealed:

217.818 Kentucky drug formulary council established — Membership— Vacancies — Compensation.

217.824 Council to adopt bylaws — Staff — Chairman's term — Attached to department for human resources.

217.894 Sign required notifying public that pharmacy is required to dispense lowest priced generic drug.

The Committee on State Government reported **SB 256** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 256, AN ACT relating to legislative program review and investigation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.905 is amended to read as follows:

(1) There is hereby created a legislative program review and investigations committee which shall be a permanent standing committee of the general assembly, consisting of eight (8) members of the senate, six (6) of whom shall be appointed by the president pro tempore and two (2) of whom shall be appointed by the minority leader of the senate, and eight (8) members of the house of representatives, six (6) of whom shall be appointed by the speaker and two (2) of whom shall be appointed by the minority leader of the house of representatives. At least one (1) appointee by each appointive authority shall be a member of the senate or house standing committee on appropriations and revenue. The appointments shall be made within seven (7) legislative days of the beginning of each regular or organizational session of the general assembly, and the members so appointed shall serve for a term of two (2) years coextensive with the biennium in which the appointment is made. Vacancies shall be filled in the same manner as the original appointments, and for the balance of the term of the vacated member.

(2) The committee shall select a chairman and other officers as it may deem necessary from among its membership. *The chairman shall serve a term of one (1) year in the biennium in which the committee appointments are made. Eligibility for the position of committee chairman shall alternate annually between*

appointees that are members of the senate and appointees that are members of the house of representatives. A majority of the membership shall constitute a quorum and all actions authorizing an investigation, dropping an investigation, or adopting a final report on any subject under investigation shall require the affirmative vote of a majority of the full committee membership. All other actions of the committee may be undertaken by an affirmative vote of a majority of a quorum of the committee.

(3) When an evaluation or investigation is instituted upon the request of a legislative committee, the chairman and a ranking minority member of that committee shall serve as non-voting ex officio members of the legislative program review and investigations committee during the course of such evaluation or investigation. If the legislative committee that requested the evaluation or investigation is a standing committee of one (1) of the houses of the general assembly, the minority leader of that house shall appoint the ranking minority member. If the legislative committee that requested the evaluation or investigation is an interim joint committee of the legislative research commission, the ranking minority member shall be:

(a) A minority party member of the house of representatives appointed by the house minority leader, if the chairman of the interim joint committee is a member of the senate; or

(b) A minority party member of the senate appointed by the senate minority leader, if the chairman of the interim joint committee is a member of the house of representatives.

(4) Each regular and ex-officio member of the legislative program review and investigations committee shall receive the same travel allowances and compensation for attending interim meetings of the committee as are received by members of subcommittees of the legislative research commission under KRS 7.090(2).

Section 2. The provisions of this Act shall become effective January 1, 1983.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Richards, **HR 103.**

Representative Bronger requested that his name be withdraw as co-sponsor of **HB 487** and **HB 447.**

Representative Noe moved the adoption of the following Legislative Citation No. 71:

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Barbara Rhoads on behalf of "The Leawood Seven", comprised of the gentlemen from Harlan 88, Henderson 11, Madison 81, Woodford 56, Bullitt 49, Floyd 95 and Jefferson 32, for outstanding service. Ms. Rhoads, a member of the Public Information section, of the Legislative Research Commission, has admirably performed her responsibilities for the General Assembly and has been of special assistance to "The Leawood Seven". This prestigious body commends you for your dedication. (Sponsored by Representative Noe)

Agreed.

Representative Farrow Moved that he be recorded as voting "yea" on **SB 235.** Agreed.

Representative Farrow moved that he be recorded as voting "yea" on **SB 386.** Agreed.

Representative Farrow moved that he be recorded as voting "yea" on **SB 393.** Agreed.

Representative Farrow moved that he be recorded as voting "yea" on **SB 394.** Agreed.

Representative Cyrus moved the adoption of the following Legislative Citation No. 78:

The House of Representatives of the Commonwealth of Kentucky hereby commends Cecil and Irene Stephenson for more than fifty years of total dedication to the Democratic party as you receive the title "Mr. and Mrs. Democrat" the organization's most prestigious award, during the Alben W. Barkley Democratic Club Night of Nights, March 27, 1982. Your steadfast performance and whole-hearted devotion have been recognized at every level — local, county, state and national, as you unceassingly have worked to build a solid foundation for the Democratic party. You have unfailingly answered the call of Greenup County Democrats whether it be to support a local effort or to travel to Frankfort or Washington, D.C. It is a high distinction to recognize your service to your political party which adds strength and stability to the election process that is the foundation of our Democracy. This auspicious body joins the Alben W. Barkley Democratic Club in paying tribute to your exemplary service. (Sponsored by Representative Cyrus)

Agreed.

Representative Moore moved that he be recorded as voting "yea" on **HB 398.** Agreed.

Representative Deskins moved that he be recorded as voting "nay" on **HB 339.** Agreed.

Representative Nett moved that he be recorded as voting "yea" on **HB 106.** Agreed.

Representative Noland moved the adoption of the following Legislative Citations No. 76 and No. 77. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Jayceettes of Estill County for your most noteworthy and laudable services to your community through your association and relationship with the Jaycees. Certainly your programs and projects are great assets in providing a basis for the development of good American citizens. Your supportive interest and deep concern for all of the citizens of Estill County make your community a better place in which to live. The public awareness that you have demonstrated is a great tribute to your for it symbolizes your faith in God, your country and your fellowman. We are proud of you and extend to you our commendation for your high regard for Estill County. (Sponsored by Representative Noland)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Jaycees of Estill County for your outstanding contribution to this community. Your courageous commitment to the ideals of developing the all-around man is a high priority for a successful American citizen. Personal dynamics, leadership training, the speak up sessions and your ultimate faith in establishing and promoting the good family life are admirable goals. Your public awareness of community action for improving community life through your participation in civic programs and projects makes your community a better place in which to live. We commend you highly for the Kentucky River Folk Festival held the third week-end in September for it is truly the highlight of your community projects, providing educational, social and recreational opportunities and challenges for segments of Estill County. (Sponsored by Representative Noland)

Representative Endicott moved that he be recorded as voting "yea" on **HB 398;** "yea" on **HB 537;** "nay" on **HB 301;** "nay" on **HB 290.**

Representative Tobin moved that the Floor Amendment No. 1 and the Floor Title Amendment to **SB 348** be withdrawn. Agreed.

Representative Foster moved the adoption of the following Legislative Citations No. 74 and No. 75. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Todd County Central "Lady Rebels" Basketball Team, their fine coach, Jerri Houchin for winning the Eighth District and the Second Regional Tournaments. As district and region championship winners, you were eligible to participate for he first time in the Girls' "Sweet 16" State Tournament, March 17-20, 1982, at Eastern State University Coliseum, Richmond, Kentucky, and it is noteworthy and reflects hard work, school loyalty and a competitive spirit. This body salutes you on your excellent record of 26-3 and your two victories in the "Sweet 16" bestowing honor, pride and sportsmanship on your school, community and Commonwealth of Kentucky. (Sponsored by Representative Foster)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Todd County Central High School "Rebels' Basketball Team and your fine coach, Fred Harper, as the winner of the Eighth District that qualified you for participation in the Second Regional Basketball Tournament. We commend you for your great team effort, School loyalty and competitive spirit. Your performance has bestowed honor on your school and community. (Sponsored by Representative Foster)

Representative Bruce moved that the rules be suspended to recommit **SB 223** to the Committee on Banking and Insurance.

On the roll call the vote was yeas 50-Barrows, Bendl, Bennett, Blevins, Boswell, Bruce, Burch, Caldwell, Clapp, Cowan, Curd, Donnermeyer, Dunn, Endicott, Farow, Freibert, Gray, Guenthner, Haering, Hancock, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Lile, McNutt, Meyer, Moberly, Moore, Nett, Noe, Patrick, Perkins, Petty, Priddy, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams. Nays 9-Craddock, Ford, Fryman, Holloway, R. Jones, Long, Pearman, P. Richardson, Tobin.

The motion that the rules be suspended was rejected.

The following meetings were announced:

Committee on Rules: On adjournment, Room 316.

Health and Welfare: Friday, 8:30 a.m., Room 109.

Adjournment

Representative Moberly moved that the House adjourn until 10:00 a.m., Friday, March 26, 1982.

On the roll call the vote was yeas 38-Arnold, Barrows, Boswell, Burch, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Freibert, Gray, Head, Hines, T. Jones, Layman, LeMaster, List, Mann, McBee, Moberly, Noe, Noland, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, B. Smith, Stone, Stumbo, Thomason, White, Williams. Nays 25-Bennett, Blevins, Caldwell, Endicott, Farrow, Ford, Foster, Fryman, Guenthner, Haering, Hancock, Heleringer, Holbrook, Holloway, Lile, McNutt, Moore, Nett, Patrick, Schmidt, F. Smith, Tobin, Todd, Turner, Van Horn.

The motion to adjourn was adopted.

FRIDAY, MARCH 26, 1982

FIFTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Dr. W. L. Rodgers, Evangel Tabernacle, Assembly of God, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representative Lundergan.

Representative Brinkley moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 25, 1982, be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 42, HB 105** with Senate Amendment, **HB 147** with Senate Amendment, **HB 148** with Senate Amendment, **HB 149** with Senate Amendment, **HB 319** with Senate Amendment, **HB 336** with Senate Amendment, **HB 345** with Senate Amendment, **HB 379** with Senate Amendment, **HB 411** with Senate Committee Substitute, **HB 383** with Senate Amendment, **HB 415** with Senate Committee Substitute, **HB 477** with Senate Amendment, **HB 503** with Senate Amendment, **HB 513** with Senate Amendment, **HB 744** with Senate Amendment, **HB 820** with Senate Amendment, **HJR 3** with Senate Committee Substitute and Senate Amendment, **HR 62** with Senate Amendment, **HB 386, HB 471, HB 489, HB 722, HCR 63, HR 82.**

Report on Enrolled Bills

The Committee on Enrollment reported **HB 46, HB 98, HB 110, HB 129, HB 141, HB 154, HB 160, HB 203, HB 210, HB 213, HB 231, HB 253, HB 281, HB 326, HB 424, HB 466, HB 507, HB 510, HB 551, HB 677, HB 733, HB 802,** and **HJR 4** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:14 a.m.)

HB 46, HB 98, HB 110, HB 129, HB 141, HB 154, HB 160, HB 203, HB 210, HB 213, HB 231, HB 253, HB 281, HB 326, HB 424, HB 466, HB 507, HB 510, HB 551, HB 677, HB 733, HB 802, and **HJR 4** delivered to the Senate, signed by President. Ordered deliver to the Governor.

Report of Committees

The Committee on Rules reported **HR 90, HR 93, SB 144, SB 152, SB 167, SB 172, SB 174, SB 264, SB 280, SB 281, SB 94, SB 115, SB 116, SB 117, SB 148, SB 173, SB 218, SB 228, SB 230, SB 252, SB 267, SB 279, SB 282, SB 302, SB 329, SB 340, SB 366, SB 374, SB 380,** and **SB 392** have been posted for passage in Orders of the Day, March 29, 1982.

The Committee on Rules reported the following Bills have been recommitted:

Appropriations and Revenue: **HB 487.**

Judiciary-Civil: **HB 600.**

Calendar

SB 313, SB 402, SB 231, SB 109, SB 184, SB 186, HB 708, SB 342, SB 243, HR 38, SB 287, SB 353, SB 382, SB 7, and **SB 256** taken from the Calendar and ordered read at length for the second time.

Representative LeMaster moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 618 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Moberly moved that **HB 618** be passed.

On the roll call the vote was yeas 65-Allen, Bendl, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Haering, Hancock, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Lefevers, Lile, Little, Long, Maggard, Mann, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Petty, Priddy, Rapier, Richards, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn. Nays 6-Burnette, Dunn, Layman, Patrick, Robinson, Yates.

HB 618 was passed and the title agreed to.

Representative Moberly moved that the vote by which **HB 618** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 771, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved the adoption of the Committee Amendment No. 1 to **HB 771.** Agreed.

Representative Blevins moved that **HB 771,** as amended, be passed.

On the roll call the vote was yeas 58-Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Farrow, Foster, Gray, Hancock, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noe, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Yates. Nays 23-Allen, Burnette, Clarke, Dunn, Ellington, Endicott, Ford, Fryman, Haering, Harper, Johnson, Layman, Lefevers, Little, Moore, Noland, O'Brien, Overstreet, Robinson, Seum, Todd, Turner, Van Horn.

HB 771, as amended, was passed and the title agreed to.

Representative Blevins moved that the vote by which **HB 771,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 803 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ellington moved that **HB 803** be passed.

Representative Noe moved that **HB 803** be laid on the Clerk's desk. Rejected.

On the roll call the vote was yeas 64-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Holbrook, Holloway, Johnson, R. Jones, Layman, Lefevers, Lile, Little, Long, Maggard, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Tobin, Van Horn, Yates. Nays 19-Barrows, Bronger, Brown, Clarke, Craddock, Donnermeyer, Farrow, Guenthner, Heleringer, T. Jones, Kenton, List, McBee, McNutt, Meyer, Noe, Schmidt, Thomason, Todd.

HB 803 was passed and the title agreed to.

Representative Ellington moved that the vote by which **HB 803** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 175, SB 206, SB 235, SB 269, SB 291, SB 386, SB 393,** and **SB 394** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:32 a.m.)

Orders of the Day (continued)

HB 222, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Committee Amendment No. 1 to **HB 222.** Agreed.

Representative Mann moved that **HB 222,** as amended, be passed.

On the roll call the vote was yeas 82-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Handy, Harper, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 3-Freibert, Heleringer, Patrick.

HB 222, as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 222,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 428, with Committee Substitutes and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Second Committee Substitute to **HB 428.** Agreed.

Representative LeMaster moved that **HB 428,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 76-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Lefevers, LeMaster, List, Little, Long, Maggard, McBee, McNutt, Meyer, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Worthington, Yates. Nays 3-Fryman, Patrick, Turner.

HB 428, by way of Committee Substitute, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 428,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 515, with Committee Substitute, Committee Amendment, and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 515** be recommitted to the Committee on Appropriations and Revenue. Agreed.

HB 819, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved the adoption of the Committee Substitute to **HB 819.** Agreed.

Representative Yates moved that **HB 819,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Yates. Nays 0.

HB 819, by way of Committee Substitute, was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 819,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 81, with Committee Substitute and Committee Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of the Committee Substitute to **HR 81.** Agreed.

Representative Donnermeyer moved that **HR 81,** by way of Committee Substitute, be passed.

HR 81, by way of Committee Substitute, was defeated by voice vote.
Representative LeMaster moved that **HB 811** be recommitted to the Committee on Appropriations and Revenue. Agreed.

HB 765, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 765.** Agreed.

Representative LeMaster moved that **HB 765,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Ford, Foster, Fryman, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Williams, Yates. Nays 10-Allen, Clarke, Craddock, Farrow, Guenthner, Haering, Heleringer, Moore, Pearman, Van Horn.

HB 765, by way of Committee Substitute, was passed and the title agreed to.

Representative Schmidt moved that **HCR 75** be made the first order of business on Monday, March 29, 1982. Rejected.

HR 85, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of **HR 85.**

Representative Noe moved the adoption of the Floor Amendment No. 1 to **HR 85.** Rejected.

On the roll call the vote was yeas 56-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clark, Clarke, Cowan, Curd, Cyrus, Dawahare, Deskins, Dunn, Endicott, Hancock, Handy, Head, Hines, Johnson, R. Jones, T. Jones, LeMaster, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Perkins, Petty, Priddy, Rapier, Richards, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Worthington, Yates. Nays 29-Allen, Burnette, Caldwell, Clapp, Crupper, Ellington, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Heleringer, Holbrook, Holloway, Layman, Lefevers, Lile, List, Noland, O'Brien, Patrick, Pearman, P. Richardson, Robinson, Schmidt, Todd, Turner.

HR 85 was adopted and the title agreed to.

Representative Nett moved that the vote by which **HR 85** was adopted be reconsidered and said motion be placed on the table. Agreed.

HR 86 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of **HR 86.**

HR 86 was adopted by voice vote.

HR 91 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of **HR 91.**

HR 91 was adopted by voice vote.

SB 77, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hines moved the adoption of the Committee Amendment No. 1 to **SB 77.** Agreed.

Representative Hines moved that **SB 77,** as amended, be passed.

On the roll call the vote was yeas 76-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 6-Allen, Ellington, Fryman, Lile, Todd, Turner.

SB 77, as amended, was passed and the title agreed to.

Representative Hines moved that the vote by which **SB 77,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 226 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 226** be passed.

On the roll call the vote was yeas 78-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holloway, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Yates. Nays 1-Perkins.

SB 226 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 226** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 51 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved that **SB 51** be passed.

On the roll call the vote was yeas 86-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Williams, Worthington, Yates. Nays 3-Endicott, Patrick, Turner.

SB 51 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 51** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 170 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 170** be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 5-Barrows, Crupper, Cyrus, Hancock, Priddy.

SB 170 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 170** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 300, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Perkins moved the adoption of the Committee Amendment No. 1 to **SB 300.** Agreed.

Representative Perkins moved that **SB 300,** as amended, be passed.

On the roll call the vote was yeas 73-Allen, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 10-Caldwell, Endicott, Ford, Haering, Noland, Overstreet, Patrick, Pearman, Robinson, Turner.

SB 300, as amended, was passed and the title agreed to.

Representative Perkins moved that the vote by which **SB 300,** as amended, was passed be reconsidered and said motion be placed on table. Agreed.

SB 316, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved that **SB 316** be passed.

Representative Clarke moved the adoption of the Floor Amendment No. 1 to **SB 316.**

On the roll call the vote was yeas 42-Arnold, Bendl, Bennett, Boswell, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Curd, Donnermeyer, Farrow, Foster, Freibert, Hancock, Hines, Johnson, R. Jones, Kidd, LeMaster, Lile, List, Long, Mann, McBee, Meyer, Moberly, Morris, Pearman, Petty, Rapier, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Williams, Yates. Nays 34-Allen, Blandford, Blevins, Brinkley, Bronger, Brown, Burch, Clapp, Cyrus, Dawahare, Deskins, Ellington, Endicott, Ford, Gray, Heleringer, Holbrook, Holloway, Lefevers, Little, Maggard, Moore, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Robinson, Stone, Tobin, Van Horn, White, Worthington.

Floor Amendment No. 1 to **SB 316** was adopted.

Representative Nett moved that **SB 316,** as amended, be passed.

On the roll call the vote was yeas 59-Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Mann, McBee, Meyer, Moberly, Morris, Nett, O'Brien, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, White, Williams, Yates. Nays 27-Allen, Barrows, Blevins, Brinkley, Cyrus, Deskins, Ellington, Endicott, Ford, Heleringer, Layman, Lefevers, Little, Maggard, Moore, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Robinson, Stone, Tobin, Todd, Turner, Van Horn.

SB 316, as amended, was passed.

Representative Clarke moved the adoption of the Title Amendment to **SB 316.** Agreed.

Representative Nett moved that the vote by which **SB 316,** as amended, was passed, be reconsidered and said motion be placed on the table. Agreed.

HB 783, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved the adoption of the Committee Substitute to **HB 783.** Agreed.

Representative Cline moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **HB 783.** Agreed.

Representative O'Brien moved the adoption of the Floor Amendment No. 4 to the Committee Substitute to **HB 783.** Agreed.

Representative Worthington moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **HB 783.** Agreed.

Representative Dunn moved that **HB 783,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 45-Arnold, Bendl, Bennett, Blandford, Blevins, Bronger, Brown, Burch, Clapp, Cline, Cowan, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Gray, Guenthner, Haering, Handy, Hines, Holbrook, Holloway, R. Jones, Kidd, Layman, Mann, McBee, Moberly, Nett, O'Brien, Pearman, Perkins, Petty, Richards, P. Richardson, Seum, F. Smith, Stone, Stumbo, Tobin, Van Horn, Williams, Worthington, Yates. Nays 43-Allen, Barrows, Boswell, Brinkley, Bruce, Burnette, Caldwell, Clark, Clarke, Craddock, Crupper, Deskins, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Hancock, Heleringer, T. Jones, Kenton, Lefevers, LeMaster, Lile, Little, Long, Maggard, McNutt, Meyer, Moore, Morris, Noe, Noland, Overstreet, Rapier, Rattliff, Robinson, Schmidt, Thomas, Todd, Turner, White.

HB 783, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 783,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 193 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Dunn moved that **SB 193** be passed.

On the roll call the vote was yeas 64-Bendl, Bennett, Blandford, Blevins, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Foster, Freibert, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stumbo, Thomason, Tobin, Van Horn, White, Worthington. Nays 17-Allen, Barrows, Burnette, Craddock, Cyrus, Farrow, Gray, Hancock, Kenton, Layman, Meyer, Moberly, Pearman, Thomas, Todd, Turner, Yates.

SB 193 was passed and the title agreed to.

Representative Dunn moved that the vote by which **SB 193** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 280,** as amended, be recommitted to the Committee on Agriculture. Agreed.

Representative LeMaster moved that **HB 814** be recommitted to the Committee on Health and Welfare. Agreed.

SB 31 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 31** be passed.

On the roll call the vote was yeas 89-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 31 was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 31** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 97, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holloway moved the adoption of the Committee Amendment No. 1 to **SB 97.** Agreed.

Representative Holloway moved that **SB 97,** as amended, be passed.

Representative LeMaster moved the adoption of the Floor Amendment No. 3 to **SB 97.** Agreed.

Representative LeMaster moved the adoption of the Floor Amendment No. 4 to **SB 97.** Agreed.

Representative Holloway moved that **SB 97,** as amended, be passed.

Representative Mann moved the adoption of the Floor Amendment No. 2 to **SB 97.**

Representative Holloway inquired whether Floor Amendment No. 2 to **SB 97** was germane.

The Speaker ruled Floor Amendment No. 2 was not germane to **SB 97.**

Representative Heleringer moved the adoption of the Floor Amendment No. 1 to **SB 97.**

On the roll call the vote was yeas 49-Allen, Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Burnette, Clapp, Clark, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Freibert, Gray, Guenthner, Haering, Handy, Heleringer, Hines, Lefevers, LeMaster, Little, Moberly, Moore, Nett, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Robinson, Seum, F. Smith, Stone, Stumbo, Tobin, Todd, Van Horn, Worthington, Yates. Nays 20-Arnold, Caldwell, Clarke, Crupper, Deskins, Ellington, Foster, Fryman, Harper, Holbrook, Holloway, R. Jones, Layman, Long, Maggard, McBee, O'Brien, Thomason, Turner, Williams.

Floor Amendment No. 1 to **SB 97** was adopted.

Representative Holloway moved that **SB 97,** as amended, be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Freibert, Gray, Haering, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, B. Richardson, Riner, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Yates. Nays 12-Allen, Clarke, Crupper, Ellington, Ford, Foster, Hancock, Layman, Lefevers, McNutt, Pearman, Rattliff.

SB 97, as amended, was passed and the title agreed to.

Representative Holloway moved that the vote by which **SB 97,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 327 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Speaker Pro Tempore Thomason presiding.

Representative List moved that **SB 327** be passed.

On the roll call the vote was yeas 76-Arnold, Bendl, Bennett, Blandford, Boswell, Brinkley, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Nett, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Schmidt, Seum, F. Smith, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington. Nays 1-Allen.

SB 327 was passed and the title agreed to.

Representative List moved that the vote by which **SB 327** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 339 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yates moved that **SB 339** be passed.

On the roll call the vote was yeas 69-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kidd, Lefevers, Lile, List, Little, Long, Maggard, McBee, Meyer, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 4-Haering, McNutt, Morris, Tobin.

SB 339 was passed and the title agreed to.

Representative Yates moved that the vote by which **SB 339** was passed be reconsidered and said motion be placed on the table. Agreed.

SCR 50 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved the adoption of **SCR 50.**

On the roll call the vote was yeas 73-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Williams, Worthington, Yates. Nays 6-Burnette, Ellington, Fryman, Haering, Layman, Lefevers.

SCR 50 was adopted and the title agreed to.

Representative Kidd moved that the vote by which **SCR 50** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 96, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 2 to **SB 96.**

Representative Holloway inquired whether Floor Amendment No. 2 was germane to **SB 96.**

The Speaker ruled Floor Amendment No. 2 was not germane to **SB 96.**

Representative LeMaster moved the adoption of the Floor Amendment No. 3 to **SB 96.** Agreed.

Representative LeMaster moved the adoption of the Floor Amendment No. 4 to **SB 96.** Agreed.

Representative Burnette moved that **SB 96,** as amended, be passed.

On the roll call the vote was yeas 51-Arnold, Bendl, Bennett, Blandford, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Curd, Dawahare, Deskins, Donnermeyr, Dunn, Foster, Guenthner, Haering, Handy, Harper, Hines, Holbrook, Kidd, LeMaster, Little, Long, Maggard, McBee, Moberly, Nett, O'Brien, Overstreet, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, F. Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Williams, Worthington, Yates. Nays 25-Barrows, Blevins, Brinkley, Brown, Cline, Crupper, Cyrus, Ellington, Endicott, Farrow, Ford, Freibert, Gray, Hancock, Heleringer, R. Jones, Layman, Lefevers, Lile, McNutt, Meyer, Moore, Pearman, Seum, Tobin.

SB 96, as amended, was passed and the title agreed to.

Recess

Representative LeMaster moved that the House recess for ten minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to Order.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 112, HB 325, HB 339, HB 386, HB 413, HB 471, HB 489, HB 492, HB 722, HCR 63,** and **HR 82** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 12:45 p.m.)

HB 112, HB 325, HB 339, HB 386, HB 413, HB 471, HB 489, HB 492, HB 722, HCR 63, and **HR 82** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

SB 348, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved the adoption of the Floor Amendment No. 2 to **SB 348.** Agreed.

Representative Hines moved that **SB 348,** as amended, be passed.

On the roll call the vote was yeas 63-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Ford, Freibert, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, LeMaster, Lile, List, Little, Long, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Noland, O'Brien, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, Robinson, F. Smith, Stumbo, Tobin, Todd, Van Horn, Williams, Worthington, Yates. Nays 10-Brown, Burnette, Clapp, Farrow, Foster, Haering, Hancock, Pearman, Stone, Turner.

SB 348, as amended, was passed and the title agreed to.

Representative Hines moved that the vote by which **SB 348,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 284, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cowan moved that **SB 284** be passed.

Representative Burnette moved the adoption of the Floor Amendment No. 1 to **SB 284.**

On the roll call the vote was yeas 29-Arnold, Barrows, Boswell, Burnette, Caldwell, Clapp, Cline, Crupper, Cyrus, Dawahare, Farrow, Ford, Foster, Freibert, Fryman, Gray, Holbrook, Kenton, Layman, LeMaster, Moore, Noland, Pearman, Perkins, Rattliff, P. Richardson, F. Smith, Stone, Tobin. Nays 50-Bendl, Bennett, Blandford, Blevins, Bronger, Bruce, Burch, Clark, Cowan, Craddock, Curd, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Guenthner, Haering, Handy, Heleringer, Hines, R. Jones, T. Jones, Kidd, Lefevers, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, O'Brien, Overstreet, Petty, Priddy, Rapier, Schmidt, Seum, Stumbo, Thomason, Turner, Van Horn, White, Williams, Yates.

Floor Amendment No. 1 to **SB 284** was rejected.

Representative Haering moved the adoption of the Floor Amendment No. 2 to **SB 284.**

On the roll call the vote was yeas 42-Allen, Barrows, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Cowan, Crupper, Curd, Dawahare, Deskins, Ellington, Endicott, Fryman, Guenthner, Haering, Hancock, Harper, Heleringer, Holbrook, Kenton, Lile, Meyer, Moore, Noland, Overstreet, Patrick, Pearman, Rapier, Rattliff, Riner, Schmidt, Stone, Stumbo, Turner, White, Yates. Nays 13-Bruce, Cyrus, Foster, Freibert, Gray, Little, Morris, O'Brien, Perkins, F. Smith, Tobin, Van Horn, Williams.

Floor Amendment No. 2 to **SB 284** was adopted.

Representative Cowan moved that **SB 284,** as amended, be passed.

On the roll call the vote was yeas 66-Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Clapp, Clark, Cowan, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Ford, Foster, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Long, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Schmidt, Seum, Stone, Stumbo, Thomason, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 24-Allen, Barrows, Bennett, Brown, Burnette, Caldwell, Cline, Crupper, Ellington, Farrow, Freibert, Gray, Holbrook, T. Jones, Layman, Little, Moore, O'Brien, Pearman, Rattliff, P. Richardson, F. Smith, Tobin, Turner.

SB 284, as amended, was passed and the title agreed.

Representative Cowan moved that the vote by which **SB 284,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

HB 426 returned with the following message: The Senate has receded from its Amendment No. 2 to **HB 426** and is respectfully returning same to this Honorable Body for enrollment.

Orders of the Day (continued)

SB 203, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved that **SB 203** be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Clapp, Cline, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noland, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, Seum, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 0.

SB 203 was passed and the title agreed to.

Representative Holbrook moved that the vote by which **SB 203** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions and Report of Committees. Agreed.

Introduction of Resolutions

HR 111, by Representative Cowan: A RESOLUTION recognizing the observance of the "Days of Remembrance of the Victims of the Holocaust."

HR 112, by Representative Brinkley: A RESOLUTION endorsing the expansion of rail passenger service on Amtrak's Florida and Panama Limited Routes to include the area of Western Kentucky.

HR 113, by Representative Farrow: A RESOLUTION recognizing and honoring the Georgetown College Tiger basketball team.

Report of Committees

The Committee on Health and Welfare reported **SB 356** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 356, AN ACT relating to health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 212.810 TO 212.930 IS CREATED TO READ AS FOLLOWS:

(1) The department shall not discriminate in any manner against local boards of health or local health departments which elect not to join district health departments.

(2) Counties served by local boards of health or independent local health departments shall receive from the department the same proportion of funds to administer the same scope of services as do counties in district health departments.

(3) Administrative costs for independent local health departments shall not exceed twenty percent (20%) of each health department's total budget. Administrative costs for district health departments shall not exceed fifteen percent (15%) of each district health department's total budget.

The Committee on Business Organizations and Professions reported **SB 296,** with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

Committee Amendment No. 3 to **SB 296** is as follows:

Amend printed copy of **SB 296,** page 6, by deleting lines 25 and 26 in their entirety;

And on page 32, between lines 2 and 3 by inserting the following:

SECTION 16. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

All regulations issued by the board pursuant to this chapter shall be issued in accordance with KRS Chapter 13.

And renumbering the following sections.

The Committee on Rules reported **HCR 70, HR 38, SB 341, SB 66, SB 103, SB 127, SB 149, SB 162, SB 216, SB 223, SB 248, SB 289, SB 308, SB 372, SB 383, SB 385, SB 396, SB 397, SB 7, SB 231, SB 243, SB 256, SB 353, SB 382,** and **SB 402** have been posted for passage in Orders of the Day, March 29, 1982.

The Committee on Rules reported the following Bills have been recommitted:

Business Organizations and Professions: **HB 727.**

Appropriations and Revenue: **HB 257, SB 3.**

State Government: **HB 643.**

Labor and Industry: **HB 708.**

Motions, Petitions and Communications (continued)

Representative McNutt moved that a vote be taken on the Discharge Petition filed on **SB 93** to take it from the Committee on Judiciary-Criminal for consideration by the House.

Representative Schmidt moved the adoption of the Previous Question.

On the roll call the vote was yeas 26-Allen, Cowan, Craddock, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Haering, Harper, Holbrook, Holloway, Layman, Lile, McNutt, Morris, Patrick, Pearman, Rattliff, Robinson, Schmidt, F. Smith, Tobin, Todd, Turner. Nays 7-Barrows, Caldwell, Dunn, Handy, Hines, LeMaster, Van Horn.

The motion that the previous question be adopted was rejected.

On the roll call the vote was yeas 31-Allen, Caldwell, Cowan, Craddock, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Harper, Holbrook, Holloway, Layman, Lile, McNutt, Moore, Morris, Nett, Noland, Patrick, Pearman, Rattliff, Robinson, Schmidt, Tobin, Todd, Turner, Van Horn. Nays 0.

The motion on the Discharge Petition on **SB 93** was rejected.

Representative Moberly moved that the vote on **HB 783** be reconsidered.

The Chair ruled a motion to reconsider was out of order.

Representative Moberly moved that the clincher motion be removed from **HB 783.**

Representative Patrick moved that the House adjourn until 12 noon, Monday, March 29, 1982.

On the roll call the vote was yeas 6-Endicott, Foster, Fryman, Guenthner, Layman, Stone. Nays 68-Arnold Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Freibert, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Schmidt, Seum, F. Smith, Stumbo, Thomason, Tobin, Turner, Van Horn, Yates.

The motion to adjourn was rejected.

The following Floor Amendments were filed to Bills and Resolutions:

Floor Title Amendment to **HR 38,** by Representative Riner:

Amend printed copy of **HR 38,** page 1, by amending the title to read as follows:

"A RESOLUTION adjourning the House of Representatives in honor of Polish Solidarity leader Lech Walesa and urging the United STates to adopt a National Strategy of Peace Through Strength."

Floor Amendment No. 1 to **HR 38,** by Representative Riner:

Amend printed copy of **HR 38,** page 2, after line 1 by adding the following:

"Section 2. That the State of Kentucky urges the United States to adopt a National Strategy of Peace Through Strength. The general principles of a Peace Through Strength strategy being:

(a) To inspire, focus and unite the national will and determination to achieve this goal of peace and freedom; and

(b) To achieve overall military and technological superiority over the Soviet Union; and

(c) To create a strategic defense and a civil defense which would protect U.S. citizens against nuclear war at least as well as the Soviets defend their citizens; and

(d) To accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or locks the U.S. into a position of military inferiority; and

(e) To reestablish effective security and intelligence capabilities; and

(f) To pursue positive non-military means to roll back the growth of communism; and

(g) To help our allies and other non-communist countries defend themselves against communist aggressions; and

(h) To maintain a strong economy and protect our overseas sources of energy and other vital raw materials.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to President Reagan, Secretary of State Alexander Haig, Secretary of Defense Casper Weinberger and the members of the Kentucky Congressional Delegation."

Floor Amendment No. 5 to **HB 534,** by Representative Dawahare:

Amend printed copy of **HB 534,** page 42, after line 5, by adding the following language:

Section 16. KRS 132.220 is amended to read as follows:

(1) Deposits belonging to a resident of Kentucky in any national bank not of this state or in any bank, trust company, or combined bank and trust company not organized under the laws of this state, and unmanufactured tobacco insofar as it is subject to taxation by KRS 132.190 and 132.200, shall be listed, assessed and valued as of September 1 of each year. Money in hand shall be listed, assessed, and valued as of September 1 of each year. Shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and all interest in such property, unless otherwise provided by law shall be listed, assessed, and valued as of the beginning of business on January 1 of each year. All other taxable property and all interest in other taxable property, unless otherwise specifically provided by law, shall be listed, assessed, and valued as of January 1, 1962, and January 1 of each year thereafter. It shall be the duty of all persons owning or having any interest in any property taxable in this state to list or have listed such property with the property valuation administrator of the county where it is located, between January 1 and March 1 in each year, except as otherwise provided by law. All persons in whose name property is properly assessed shall remain bound for the tax, notwithstanding they may have sold or parted with it.

(2) Any taxpayer who has a reasonable excuse for not listing his property before the property valuation administrator or his deputy may appear before any person authorized to administer an oath and make

the necessary affidavit required by the schedule as to the value of his property and may then return the schedule to the property valuation administrator. This shall be a compliance with the law in his particular case.

(3) Real property or any interest therein shall be listed in the taxing district where it is located, by the owner of the first freehold estate therein, and it shall be assessed without reference to conflicting title. If the owner fails to list the property, the property valuation administrator shall nevertheless assess it. The property valuation administrator may swear witnesses in order to ascertain the person in whose name to make the list.

(4) Real property shall be assessed in the name of the owner, if ascertainable by the property valuation administrator, otherwise in the name of the occupant, if ascertainable, and otherwise to "unknown owner." The undivided real estate of any deceased person may be assessed to the heirs or devisees of such person without designating them by name.

(5) Beginning in the year 1951, all real property exempt from taxation by section 170 of the constitution shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of such tax-exempt property, but such property shall not be placed on the tax rolls.

(6) *Beginning with on January 1, 1984 assessment date, all interest in or ownership of mineral rights shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of such mineral rights but such property shall not be placed on the tax rolls.*

(7) Each property valuation administrator, under the direction of the department of revenue, shall review annually all real property listed with him under subsection (5) of this section and claimed to be exempt from taxation by section 170 of the constitution *and shall review annually all real property listed with him under subsection (6).* The property valuation administrator shall place on the tax rolls all such property that is not exempt. Any property valuation administrator who fails to comply with this subsection shall be subject to the penalties prescribed in KRS 132.990 (2)."

Floor Amendment No. 2 to **SB 54,** by Representative Turner:

Amend printed copy of **SB 54,** page 2, line 17 after the word "individual" by deleting the "," and inserting in lieu thereof a ".";

And by deleting the rest of line 17 and all of lines 18, 19 and 20.

Floor Amendment No. 5 to **SB 74,** by Representative Priddy:

Amend printed copy of **SB 74,** page 3, after line 16 by adding the following language:

"Section 2. KRS 136.350 is amended to read as follows:

(1) All mutual companies other than life doing business under this law shall pay to the department of revenue on or before the first day of March in each year, a tax of two per cent (2%) of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.

(2) In addition to the foregoing tax, mutual insurance companies and Lloyd's insurers shall pay an annual tax as prescribed for stock insurance companies by KRS 136.360 and for like purposes.

(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on canceled policies and policies not taken, and dividends paid or credited to policyholders.

(4) The provisions of this section *also* shall [~~not~~] apply to domestic mutual companies, cooperative or assessment fire insurance companies."

Floor Amendment No. 2 to **SB 93,** by Representative Morris:

Amend printed copy of **SB 93,** page 4, line 1, by deleting "*and*" and inserting in lieu thereof "*or*"

And on page 4, line 3, following "*($500)* to add "*, or both*"

And on page 4, line 4, by deleting the same

And on page 9, line 13, by deleting "*and*" and inserting in lieu thereof "*or*"

And on page 9, line 15, by deleting "*Ten days of the sentence of*"

And on page 9, line 15, following "*($750)*" and adding "*, or both*"

And on page 9, line 16, by deleting the same

Floor Amendment No. 1 to **SB 94,** by Representative Richards:

Amend printed copy of **SB 94,** page 1, line 16, by adding the following after "issued.":

"*Each day served in the general assembly by a board of education employe during a regular, extraordinary, or organizational session shall be included in the computation of a year as defined in KRS 161.720(2).*"

Floor Amendment No. 3 to Committee Substitute to **SB 103,** by Representative Thomason:

Amend printed copy of Committee Substitute to **SB 103,** page 24, by deleting all of lines 3 through 11 and inserting in lieu thereof the following:

(1) There are hereby created and established two (2) state funds, one to be known as the "legislators retirement plan insurance fund" and the other to be known as the "judicial retirement plan insurance fund."

(2) These funds are created for the purpose of making the payments required of the respective retirement plans by Section 13 of this Act.

(3) The state shall appropriate to each of these funds the amounts necessary for such fund to provide hospital and medical insurance as provided in Section 13 of this Act, as determined by appropriate actuarial method, as a part of the biennial state contributions to the legislators retirement plan and the judicial retirement plan.

And on page 24, line 19, by inserting after the word "*plan*" the words "*or from the judicial retirement plan*"

And on page 24, lines 20 and 21, by deleting the words "*from the legislators retirement plan*"

And on pages 25 and 26, by deleting all of page 25 and lines 1 through 10 on page 26, and inserting in lieu thereof the following:

(2) The premiums required to provide hospital and medical benefits under this section attributable to membership in the legislators retirement plan shall be paid from the legislators retirement plan insurance fund, and those attributable to membership in the judicial retirement plan shall be paid from the judicial retirement plan insurance fund, to the extent hereinafter provided in subsection (3) of this section.

(3) When the service period on which the retirement allowance was based was two hundred forty (240) months or more, the fund shall pay the premium in full. When the service was less than two hundred forty (240) months the state shall pay a percentage of the premium, provided the recipient agrees to pay the balance of the premium by deduction from his retirement allowance, as follows:

a. Service of one hundred eighty (180) months or more, seventy-five percent (75%).

b. Service of at least one hundred twenty (120) months by less than one hundred eighty (180) months, fifty percent (50%).

c. Service of less than one hundred twenty (120) months, twenty-five percent (25%).

"Months of service as used in this section shall not include service presumed in determining disability benefits.

And on page 26, line 13, by deleting the words "*or the beneficiary of such recipient*" and inserting in lieu thereof the words "*who is receiving a retirement allowance for his service*"

Floor Amendment No. 4 to Committee Substitute to **SB 103,** by Representative Robinson:

Amend printed copy of HCS to **SB 103,** page 16, between lines 15 and 16, by adding the following:

"(4) Subsections (1) through (3) of this section to the contrary notwithstanding, each legislator in office on July 1, 1982 that is a member of the legislative retirement plan, who retires on or after his normal retirement date, shall receive a service retirement allowance, payable monthly, on a formula equal to that of a justice or judge of the court of justice with an equivalent service entrance date, but in no event less than that specified in Acts 1980, Chapter 407, Section 15, subsection (1), of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 65.510(13) of the sixty (60) months of service immediately preceding retirement.

(5) Subsections (1) through (3) of this section to the contrary notwithstanding, a member of the legislative retirement plan with a service entrance date after July 1, 1982 who retires on or after his normal retirement date, shall receive a service retirement allowance, payable monthly during his lifetime, in an amount per month equal to two and seventy-five one-hundredeths percent (2.75%) of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 61.510(13) of the member for services as a legislator for the sixty (60) months of service immediately preceding retirement."

Floor Amendment No. 5 to **SB 103,** by Representative Robinson:

Amend printed copy of **SB 103,** page 16, between lines 7 and 8, by adding the following:

(4) Subsections (1) through (3) of this section to the contrary notwithstanding, each legislator in office on July 1, 1982 that is a member of the legislative retirement plan, who retires on or after his normal retirement date, shall receive a service retirement allowance, payable monthly, on a formul equal to that of a justice or judge of the court of justice with an equivalent service entrance date, but in no event less than that specified in Acts 1980, Chapter 407, Section 15, subsection (1), of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 61.510(13) of the sixty (60) months of service immediately preceding retirement.

(5) Subsections (1) through (3) of this section to the contrary notwithstanding, a member of the legislative retirement plan with a service entrance date after July 1, 1982 who retires on or after his normal retirement date, shall receive a service retirement allowance, payable monthly during his lifetime, in an amount per month equal to two and seventy-five one-hundredeths percent (2.75%) of his final compensation multiplied by the number of years of his service, but in no event to exceed one hundred percent (100%) of final compensation. For this purpose, "final compensation" means the average monthly creditable compensation as determined in KRS 61.510(13) of the member for services as a legislator for the sixty (60) months of service immediately preceding retirement.

Floor Amendment No. 4 to **SB 138,** by Representative Bennett:

Amend printed copy of **SB 138,** page 5, by deleting line 26 in its entirety and by inserting on line 26 the following:

Section 4. KRS 118.015 is amended to read as follows:

(1) A "political party" within the meaning of this chapter, is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and which cast at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for.

(2) The word "election" used in reference to a state, district, county or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them.

(3) An "official ballot" means the voting machine ballot label, an absentee ballot, a special ballot or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk.

(4) The word "resident" used in reference to a candidate in a state, district, county or city election shall mean actual resident, without regard to the residence of the spouse of the candidate.

Section 5. This Act shall become effective on January 1, 1984.

Floor Amendment No. 5 to Committee Substitute to **SB 138,** by Representative Bennett:

Amend printed copy of Committee Substitute to **SB 138,** page 5, by deleting line 26 in its entirety and inserting on line 26 the following:

Section 4. KRS 118.015 is amended to read as follows:
(1) A "political party" within the meaning of this chapter, is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and which cast at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for.
(2) The word "election" used in reference to a state, district, county or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them.
(3) An "official ballot" means the voting machine ballot label, an absentee ballot, a special ballot or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general or special election by the secretary of state or the county clerk.
(4) The word "resident" used in reference to a candidate in a state, district, county or city election shall mean actual resident, without regard to the residence of the spouse of the candidate.

Section 5. This Act shall become effective on January 1, 1984.

Floor Amendment No. 1 to **SB 144,** by Representative Stumbo:

Amend printed copy of **SB 144,** page 28, after line 26, by adding the following:

SECTION 10. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:
(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.
(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation.
(3) "Natural resources", for purposes of this Act, shall mean all forms of minerals including but not limited to rock, stone, limestone, and products thereof, coal, shale, gravel, sand, clay, oil, flourspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.
SECTION 11. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:
(1) On or before August 15, 1982, and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources, sufficient to significantly effect the condition and state of repair of such highways, roads, and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county for said preceding fiscal year.
(2) Every person shipping or transporting natural resources, and every carrier hired or common carrier hauling natural resources over the public highways, roads, and streets, shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads, and streets comprising the natural resources road system and the quantities of natural resources transported thereon, in order that the department can accurately calculate total ton/miles within each natural resource impact and natural resource producing county.
(3) The department of revenue shall make available to the department of transportation coal severance and processing tax and natural resource and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (2) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of an individual taxpayer, it shall be withheld.
SECTION 12. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:
(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties

for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Any individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources, who has filed an application for a certificate of registration in accordance with KRS 143.030 or 143A.050 and who elects to apply for a resource recovery road hauling permit, shall be issued a permit upon application. Any operator shall apply for the resource recovery road hauling permits by September 1, 1982, and remit the appropriate fees on or before October 1, 1982. After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time and in the same manner as the tax levied under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources transported by the permittee over the roads of the Commonwealth, except as provided by in Section 15(4) of this Act. For purposes of this section, "gross value" shall mean gross value as defined in KRS 143.010(6) and 143A.010(5).

(5) No person shall transport natural resources over the highways of the Commonwealth in excess of the weight limits without possessing a resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation.

SECTION 13. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 12 of this Act.

(2) The form prescribed by the department shall include the following information:

(a) Resource recovery road hauling permit number;

(b) Weight of the vehicle including load;

(c) Motor carrier registration number and the name of the motor carrier operator;

(d) The name of the mining company or individual operator;

(e) The motor carrier destination; and

(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

SECTION 14. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 13(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members, three (3) to be appointed by the governor from a list submitted by the secretary of the department of transportation, and one (1) each to be appointed by the speaker of the house of representatives and the president pro tem of the senate. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year, two (2) members shall be appointed for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition, the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit Court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

SECTION 15. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 12(4) of this Act, state appropriations, gifts, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 12(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, may review said operator's transportation plan; if it is determined that the roads and bridges included in said plan are sufficient to withstand proposed traffic volume, the secretary may allow the issuance of a permit at a reduced fee. The fee shall not be lower than one-tenth (1/10) of one (1) percent, except that any operator whose transportation plan limits use of county resource recovery roads or state roads or highways to five hundred (500) yards or less shall pay no fee.

SECTION 16. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the natural resources road system directory required by Section 11 of this Act and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the natural resource road system directory required by Section 11 of this Act and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 12(4) of this Act and distribute said funds in accordance with the provisions in Section 17 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road systems within six (6) months of receipt of the distributed funds. Any distributed funds not expended within six (6) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 12(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of the ratio of total natural resource road system mileage in a county, as designated by the natural resource road system directory required by Section 11 of this Act, to total statewide natural resource road system mileage.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program.

Floor Amendment No. 1 to **SB 152,** by Representative Worthington:

Amend printed copy of **SB 152,** page 5, following line 12, by inserting the following:

"Section 4. KRS 45A.420 is amended to read as follows:
(1) *Notwithstanding the provisions of KRS 65.210 to 65.300,* any local public agency may enter into an agreement for cooperative purchasing with any other local public agency. When the contracting local public agency contracts for supplies, services or construction pursuant to KRS 45A.365, 45A.370, 45A.375 or 45A.380, all other parties to the agreement shall be deemed to have complied with the provisions of those sections.
(2) Nothing in KRS 45A.345 to 45A.990 shall deprive a local public agency from negotiating with vendors for supplies where such supplies are the subject of a price agreement with the Commonwealth of Kentucky provided, however, that no contract executed under this section would authorize a price higher than is contained in the price agreement with the Commonwealth of Kentucky for such specific supplies.; and

On page 5, line 13, by renumbering "Section 4." as "Section 5." and by renumbering subsequent sections accordingly.

Floor Amendment No. 2 to **SB 203,** by Representative Priddy:

Amend printed copy of **SB 203,** page 2, after line 21, by adding the following language:

"Section 2. KRS 136.350 is amended to read as follows:
(1) All mutual companies other than life doing business under this law shall pay to the department of revenue on or before the first day of March in each year, a tax of two per cent (2%) of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.
(2) In addition to the foregoing tax, mutual insurance companies and Lloyd's insurers shall pay an annual tax as prescribed for stock insurance companies by KRS 136.360 and for like purposes.
(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on canceled policies and policies not taken, and dividends paid or credited to policyholders.
(4) The provisions of this section *also* shall [~~not~~] apply to domestic mutual companies, cooperative or assessment fire insurance companies.

Floor Title Amendment to **SB 218,** by Representative F. Smith:

Amend printed copy of **SB 218,** page 1, title, by deleting "AN ACT relating to surface mining and declaring an emergency." and inserting in lieu thereof "AN ACT relating to mining and declaring an emergency."

Floor Amendment No. 2 to **SB 218,** by Representative Stumbo:

Amend printed copy of **SB 218,** page 23, line 21, by deleting lines 21, 22, 23, 24 and 25.

Floor Amendment No. 3 to **SB 218,** by Representative F. Smith:

Amend printed copy of **SB 218,** page 57, by inserting after line 22, the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Any city or county which is a member of a planning unit established under this chapter may adopt a zoning regulation which restricts industrial shale mining to areas which have been zoned for that purpose."

And by renumbering the remaining sections

Floor Amendment No. 4 to **SB 218,** by Representative F. Smith:

Amend printed copy of Floor Amendment 3 to **SB 218,** page 57 after line 22, by correcting the following: Change Section No. 2 to read as Section No. 10.

Floor Amendment No. 5 to **SB 223,** by Representative Meyer:

Amend printed copy of **SB 223,** page 1, line 9, after "*at*" by adding the following "*a rate not to exceed twenty-four percent (24%) annual percentage rate on the unpaid principal balance*"

Page 1, line 9, by deleting the words "*such rate or rates as may be agreed between*"

Page 1, line 10, by deleting the words "*the bank or trust company and a debtor*"

Page 2, line 12, after "*;*": *provided, however, attorney fees in the event of default shall not exceed fifteen percent (15%) of the remaining principal obligation,*"

Page 2, line 25, after "*into.*" by adding "*If the loan contains prepaid interest the lending institution shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted hereunder has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the lending institution shall be permitted in computing rebates to retain a minimum charge of ten dollars ($10) to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar ($1), no rebate need be made.*

Page 13, line 7, after "costs" by adding: "*; provided, however, the attorney fees in the event of default shall not exceed fifteen percent (15%) of the remaining principal obligation*

Page 16, line 22, after "*at*" by adding: "*a rate not to exceed twenty-four percent (24%) annual percentage rate*"

Page 16, line 22, by deleting the words: "*such rate or rates*"

Page 19, line 11, after "*into*" by adding: ". *If the retail installment contract contains prepaid interest the lending institution shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted hereunder has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the lending institution shall be permitted in computing rebates to retain a minimum charge of ten dollars ($10) to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar ($1), no rebate need be made.*

Page 4, line 9, after "*basis.*" by adding:

"*(d) "Annual percentage rate" means annual percentage rate as defined in Part 1 of the Consumer Protection Act (Truth-In-Lending-Act) 15 USC sec. 1601, et. seq., as amended, and as implemented by Regulation Z promulgated by the board of governors of the federal reserve system.*"

Page 19, after line 21 by adding the following:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

With respect to any loan directly between a debtor and a financial institution in connection with the purchase or construction of residential property where payment of such loan or transaction is secured by a mortgage lien upon such property, if any scheduled payment or deferred payment is more than twice as large as the average of the earlier scheduled payments the debtor shall have the option to refinance the amount of the payment at terms mutually agreeable to the parties not to exceed the provisions of this Act."

Floor Amendment No. 6 to **SB 223,** by Representative Barrows:

Amend printed copy of **SB 223,** page 2, by deleting lines 19 through 25 in their entirety

Page 2, line 26, by deleting "*(3)*" and inserting in lieu thereof "*(2)*"

Page 3, line 5, by deleting "*(4)*" and inserting in lieu thereof "*(3)*"

Page 3, line 20, by deleting "*(5)*" and inserting in lieu thereof "*(4)*"

Page 6, line 9, after "(4)" by adding a bracket

Page 6, line 9, after "(4)" by deleting the strikethrough through the words on lines 9 through 21

Page 6, line 9, before "The" by inserting "*(5)*"

Page 6, line 22, by inserting "I" before "(5)"

Page 19, after line 1 but before line 2, by inserting the following:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

No state-chartered or federally-chartered bank shall charge a finance charge on the balance in a revolving loan account under a credit card plan if the balance is attributable solely to purchases of goods or services charged to the account during one billing cycle and the account is paid in full before the date of the first statement issued after the end of that billing cycle."

Page 19, line 2, after "Section" by deleting "6" and inserting in lieu thereof "7"

Floor Amendment No. 7 to **SB 223,** by Representative Barrows:

Amend printed copy of **SB 223,** page 19, after line 21 by adding the following:

SECTION 6. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

No state-chartered or federally-chartered bank shall a finance charge or other fee on the balance in a revolving loan account under a credit card plan if the balance is attributable to purchases of goods or services charged to the account during one billing cycle and the account is paid in full by the due date of the first statement issued after the end of that billing cycle.

Floor Amendment No. 3 to Committee Substitute to **SB 243,** by Representative Clarke:

Amend printed copy of Committee Substitute to **SB 243,** page 9, line 9, by deleting the entire line

Line 10, by deleting the following: "*is a nationally recognized market,*"

Floor Amendment No. 4 to **SB 243,** by Representative Thomason:

Amend printed copy of **SB 243,** page 9, line 16 and 17, by deleting same in their entirety

Page 9, line 18, by deleting the word "*accounts,*"

Floor Amendment No. 5 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 11, by deleting in line 10 the word "first"

Floor Amendment No. 6 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 42, by deleting lines 11 through 20 in their entirety

Floor Amendment No. 7 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 43, after line 9, by adding a new section, which shall read as follows:

This law shall become effective on January 1, 1984.

Floor Amendment No. 8 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 42, by deleting line 10 in its entirety and inserting in line 10 the words "*a pay-in-voucher form approved by the state treasurer as agent in charge of public fund deposits.*"

Floor Amendment No. 9 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 11, line 14, by deleting the word "may" and inserting in lieu thereof the word "*shall*"

Floor Amendment No. 10 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 10, following line 8, Section 6, by adding a new subsection which new subsection shall read as follows: "*(2) Each member of the state investment commission shall post bond for his acts or omissions as a member thereof identical in amount and kind to that posted by the state treasurer.*"

Floor Amendment No. 11 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 3, line 8, by deleting subsection (B) in its entirety

Floor Amendment No. 12 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 10, line 9, by deleting section 7 in its entirety

Floor Amendment No. 13 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 11, line 19, by deleting section 10 in its entirety

Floor Amendment No. 14 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 9, by deleting all of line 9, and by deleting that portion of line 10 beginning with the word "is" and ending with the word "market."

Floor Amendment No. 15 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 43, following line 9, by adding a new section, which shall read as follows:

There shall be placed on the ballot at the first election consistent with the Constitution of Kentucky the following proposed amendment to Section 91 of the Constitution of Kentucky: Are you in favor of abolishing the constitutional office of treasurer of the Commonwealth of Kentucky effective January 1, 1984? If you vote yes, the office will be abolished effective January 1, 1984. If you vote no, the office will not be abolished.

Floor Amendment No. 16 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 12, by deleting lines 23 through 26

Page 12, line 23, by adding a new subsection which shall read as follows: *the investment procedure with respect to state depositories provided that funds available for investment shall be offered to qualified Kentucky depositories consistent with investment guidelines;* and

Page 13, by deleting line 1 in its entirety

Floor Amendment No. 17 to Committee Substitute to **SB 243,** by Representative White:

Amend printed copy of Committee Substitute to **SB 243,** page 10, Section 6, by adding a new subsection which shall read as follows:

The state treasurer shall implement all administrative and investment decisions of the state investment commission including the execution of investments as directed by the commission.

Floor Amendment No. 18 to **SB 243,** by Representative Bruce:

Amend printed copy of **SB 243,** page 8, between lines 4 and 5 by inserting the following language:

"*(6) No state funds shall be invested in any financial institution outside Kentucky.*"; and

by renumbering remaining subsections accordingly.

Floor Amendment No. 19 to Committee Substitute to **SB 243,** by Representative Thomason:

Amend printed copy of Committee Substitute to **SB 243,** page 9, lines 9 and 10, by deleting same in their entirety

Page 9, line 11, by deleting the word "*accounts,*"

Floor Amendment No. 4 to **SB 252,** by Representative Holbrook:

Amend printed copy of **SB 252,** page 11, after line 18, by adding the following:

"Section 11. KRS 304.18-110 is amended to read as follows:

(1) Any group policy as defined in KRS 304.18-020 delivered or issued for delivery in this state which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3) months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given *by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect* [~~to the terminating employe at the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or members, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided.

(3) Any group policy as defined in KRS 304.18-020 delivered or issued for delivery in this state which provides hospital or surgical benefits other than for specific diseases or accidental injury only, shall provide that if coverage terminates for any reason and if the individual has been continuously insured under

a group policy and under any group policy it replaces for at least three months immediately preceding the termination of coverage, he shall be entitled to have issued to him by the insurer, without evidence of insurability, a health insurance policy on a form providing substantially similar benefits, which shall include the option to continue any existing maternity benefits, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong and to their ages and to the form and amount of insurance provided.

(4) The converted policy shall cover the person or member and his eligible dependents covered by the group policy on the date the group policy terminated. The effective date of any such converted policy shall be the date of termination of insurance under the group policy.

(5) The insurer shall not be required to issue a converted policy covering any person if such person is or could be covered by medicare (Title XVIII of the United States Social Security Act as added by the Social Security Amendments of 1965 or as later amended or superseded). Furthermore, the insurer shall not be required to issue a converted policy covering any person if (a) such person is covered for similar benefits by another hospital or surgical or medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program or (b) similar benefits are provided for, or available to, such person pursuant to, or in accordance with the requirements of, any statute, and the benefits provided or available under any of the sources referred to in (a) and (b) above for such person, together with the converted policy, would result in over insurance according to the insurer's standards relating to policies converted from group policies. A converted policy made available pursuant hereto shall provide substantially similar benefits but in no event be less than the minimum standards contained in KRS 304.18-120 if delivery of such converted policy is to be made in this state; and, if delivery of such converted policy is to be made elsewhere, it may be on such form as the insurer may then be offering for such conversion in the jurisdiction where such delivery is to be made and which provides substantially in compliance with that required by KRS 304.18-120.

(6) In the event coverage would be continued under the group policy on a person or member following his retirement prior to the time he is or could be covered by medicare, he may elect, in lieu of such continuation of group insurance, to have the same conversion rights as would apply had his insurance terminated at retirement by reason of termination of employment.

(7) The conversion privilege shall also be available: (a) to the surviving spouse, at the death of the person or member, with respect to the spouse and such children whose coverage under the group policy terminates by reason of the death of the person or member; or (b) to a child solely with respect to himself upon termination of his coverage by reason of operation of the limiting age of coverage under the group policy while covered as a dependent thereunder; or (c) to a former spouse for himself and such children of whom he is awarded custody when coverage under the group policy terminates by reason of termination of dependency as defined in the group policy and resulting from an order dissolving the marriage entered by a court of competent jurisdiction.

(8) This section shall not apply to group major medical expense insurance which supplements basic hospital, medical and surgical coverage under one or more group policies, group contracts or group remittance contracts from which a converted policy or a continuation of coverage is available providing benefits equivalent to the minimum benefits for a converted policy under this section.

(9) If a person or member becomes entitled to obtain a converted policy pursuant to the foregoing provisions, and if such person or member has not been given written notice of the existence of the conversion privilege stated above, within thirty-one (31) days of termination of the group coverage, then in such event the person or member shall have an additional period within which to exercise the conversion privilege. This additional period shall expire fifteen (15) days after the person or member shall have been given said notice but in no event shall the additional period extend beyond sixty (60) days after the expiration of the thirty-one (31) day conversion period stated above. Written notice presented to the person or member or mailed by the policyholder to the last known address of the person or member or mailed by the insurer to the last known address of the person or member as furnished by the policyholder shall constitute the giving of notice for the purpose of this paragraph. If an additional period is allowed the person or member for exercise of the conversion privilege as provided herein, and if written application for the converted policy, accompanied by the first quarterly or semiannual or annual premium, is made after the expiration of the thirty-one (31) day conversion period stated above, but within the additional period allowed an employe or member in accordance with this paragraph, the effective date of the converted policy shall be the date of termination from the group.

Section 12. KRS 304.32-152 is amended to read as follows:

(1) Any group policy, group plan or group contract issued by a nonprofit corporation which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3)

months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given *by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect* [~~to the terminating employe at the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy or (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided.

Section 13. KRS 304.38-192 is amended to read as follows:

(1) Any group policy, group plan, or group contract issued in this state by a health maintenance organization which provides hospital or surgical expense benefits, other than for specific disease or accidental injury only, shall provide that with respect to employes or members having been covered under the group policy for at least three (3) months, such employes or members shall have the right upon termination of employment or membership in the group to have the existing group coverage continued for themselves and their eligible dependents. Written notice of employe's right to continue existing group coverage shall be given *by the insurance company in each master policy, certificate and group policy issued after the effective date of this Act. The insurance company shall furnish each employer or group policyholder an adequate supply of attachments for each master policy, certificate or group policy already in effect* [~~to the terminating employe at the time of termination of benefits or of employment~~]. An employe or member electing continuation of coverage shall provide the *insurance company* [~~employer or group policyholder~~] written notice of election together with the first monthly premium contribution within thirty-one (31) days of the date coverage would otherwise terminate. The group rate premium shall be paid by the employe directly to the *insurance company* [~~employer~~]. The premium rate shall be that required for the coverage being continued and shall not exceed the applicable group rate. Continuation of coverage shall not be available for any employe or member who is or could be covered by medicare, nor who is or could be covered by any other group coverage insured or uninsured providing similar benefits. Continuation of coverage shall terminate on the earlier of (a) the date nine (9) months after the date on which the group coverage would otherwise have terminated because of termination of employment or membership, (b) if the employe or member fails to make timely payment of premium to the *insurance company* [~~employer~~], the end of the period for which premium payment was made, or (c) the date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.

(2) Any group policy described in subsection (1) of this section shall also provide that an employe or member having elected continuation of coverage pursuant to subsection (1) of this section and any covered spouse of an employe or member upon the death or divorce of such employe or member, shall be entitled to have issued to them without evidence of insurability, a health insurance policy on a form then available for conversion from the group coverage, by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the person or member, to the insurer not later than thirty-one (31) days after such termination of coverage. Such premium shall be in accordance with the insurer's table of premium rates in effect on the later of (a) the effective date of the converted policy of (b) the date of application therefor, and applicable to the class of risk to which the covered persons belong, their ages, the form, and the amount of insurance provided."

Floor Amendment No. 5 to **SB 252,** by Representative Priddy:

Amend printed copy of **SB 252,** page 11, after line 18, by adding the following language:

"Section 11. KRS 136.350 is amended to read as follows:

(1) All mutual companies other than life doing business under this law shall pay to the department of revenue on or before the first day of March in each year, a tax of two per cent (2%) of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.

(2) In addition to the foregoing tax, mutual insurance companies and Lloyd's insurers shall pay an annual tax as prescribed for stock insurance companies by KRS 136.360 and for like purposes.

(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on canceled policies and policies not taken, and dividends paid or credited to policyholders.

(4) The provisions of this section *also* shall [~~not~~] apply to domestic mutual companies, cooperative or assessment fire insurance companies."

Floor Title Amendment to **SB 267,** by F. Smith:

Amend printed copy of **SB 267,** page 1, title, by deleting "AN ACT relating to coal mining."

And inserting in lieu thereof "AN ACT relating to mining."

Floor Amendment No. 1 to **SB 267,** by F. Smith:

Amend printed copy of **SB 267,** page 5, by inserting after line 22, the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Any city or county which is a member of a planning unit established under this chapter may adopt a zoning regulation which restricts industrial shale mining to areas which have been zoned for that purpose."

Floor Amendment No. 2 to **SB 268,** by Representative Rapier:

Amend printed copy of **SB 268,** page 1, after line 18, by adding the following language:

"Section 2. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 and KRS 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.710 and KRS 95.740 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(4) Notwithstanding subsection (3), the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise[~~, except as a drug store in which a registered pharmacist is employed~~]; and

(c) The part of any premises to be licensed under this subsection which is available to the public shall not[~~, except in the case of a drug store,~~] exceed one hundred (100) square feet of floor space and shall not contain any chairs, benches, stools or similar furniture or fixtures.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

(6) No retail package license for the sale of distilled spirits or wine shall be issued for any premises in which less than fifty percent (50%) of the total inventory in cash value is comprised of distilled spirits and wine."

Floor Amendment No. 3 to **SB 268,** by Representative Rapier:

Amend printed copy of **SB 268,** page 1, after line 18, by adding the following language:

"Section 2. KRS 244.290 is amended to read as follows:

(1) No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen or other municipal legislative body of cities of the first, second, [~~or~~] third *or fourth* class in which traffic in distilled spirits and wine is permitted under KRS chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first, second, [~~or~~] third *or fourth* class are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first, second, [~~or~~] third *or fourth* class during the twenty-four hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in subsection (2) of this section, and that no distilled spirits or wine may be sold on any election day while the polls are still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine is permitted under KRS chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsection (2) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

Section 3. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, [~~or~~] third *or fourth* class in which traffic in malt beverages is permitted by KRS chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, [~~or~~] third *or fourth* class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second or third class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open.

Floor Amendment No. 3 to Committee Substitute to **SB 279,** by Representative List:

Amend printed copy of Committee Substitute to **SB 279,** page 15, 5 through 21, by deleting same; and on

Page 21, lines 16 and 17, by deleting "*not be limited by the two percent (2%) maximum set forth in subsection (1) of this section but*" and substituting in lieu thereof, "*be not more than five percent (5%) per annum of the gross receipts and*"; and on

Page 22, lines 4, 5 and 6 by deleting "*The rate initially levied under this subsection shall not be changed for the life of the project.*"

Floor Amendment No. 4 to Committee Substitute to **SB 279,** by Representative List:

Amend printed copy of Committee Substitute to **SB 279,** page 20, lines 15 to 20, by deleting same; and on

Page 20, line 21, by deleting "12" and inserting "11"; and on

Page 22, line 7, by deleting "13" and inserting "12"; and on

Page 25, line 24, by deleting "14" and inserting "13"; and on

Page 34, line 12, by deleting "15" and inserting "14"; and on

Page 36, line 3, by deleting "16" and inserting "15."

Floor Amendment No. 5 to **SB 279,** by Representative Noe:

Amend printed copy of **SB 279,** page 33, after line 19, by inserting the following:

"Section 14. The General Assembly of the Commonwealth of Kentucky hereby declares its policy that no nuclear power plants shall be built within the Commonwealth of Kentucky."; and

On page 33, line 20, by changing "Section 14" to read "Section 15."

Floor Amendment No. 6 to Committee Substitute to **SB 279,** by Representative Noe:

Amend printed copy of Committee Substitute for **SB 279,** page 36, after line 2, by inserting the following:

"Section 16. The General Assembly of the Commonwealth of Kentucky hereby declares its policy that no nuclear power plants shall be built within the Commonwealth of Kentucky."; and

On page 36, line 3, by changing "Section 16" to read "Section 17."

Floor Amendment No. 7 to **SB 279,** by Representative Noe:

Amend printed copy of **SB 279,** page 33, after line 19, by inserting the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

Any hazardous waste disposed of in the Commonwealth shall also be required to comply with standards set for the disposal of nuclear waste."; and

On page 33, line 20, by changing "Section 14" to read "Section 15."

Floor Amendment No. 8 to Committee Substitute to **SB 279,** by Representative Noe:

Amend printed copy of Committee Substitute to **SB 279,** page 36, after line 2, by inserting the following:

"SECTION 16. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

Any hazardous waste disposed of in the Commonwealth shall also be required to comply with standards set for the disposal of nuclear waste."; and

On page 36, line 3, by changing "Section 16" to read "Section 17"

Floor Title Amendment to **SB 287,** by Representative Clark:

Amend printed copy of **SB 287,** page 1, Title, following the word "ACT" in the title by deleting "relating to the Kentucky retirement systems insurance fund" and inserting in lieu thereof the following: "relating to retirement systems"

Floor Amendment No. 1 to **SB 287,** by Representative Clark:

Amend printed copy of **SB 287,** page 4, after line 23, by adding the following:

"Section 2. KRS 16.505 is amended to read as follows:
As used in KRS 16.510 to 16.652, unless the context otherwise requires:
(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;
(2) "Board" means the board of trustees of the Kentucky retirement systems;
(3) "Employer" or "state police" means the bureau of state police, or its successor;
(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;
(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;
(6) "Service" means the total of current service and prior service;
(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;
(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;
(9) *(a)* "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;
(b) In the case of members of the county employes retirement system covered by this subsection, "final compensation" at any time means the creditable compensation of a member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such three (3) year period multiplied by twelve (12); such three (3) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;
(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;
(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;
(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system or a member of the county employes retirement system covered by this section with twenty-five (25) or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. Members of the Kentucky employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

Section 3. KRS 16.577 is amended to read as follows:

(1) Upon retirement at early retirement date, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date, with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced to reflect the earlier commencement of benefits.

(2) Members of the county employes retirement system covered by this section who have completed *twenty (20)* [~~twenty-five (25)~~] years of service shall not have their allowance for early retirement reduced to reflect earlier commencement of benefits.

Floor Amendment No. 2 to **SB 340,** by Representative Bruce:

Amend printed copy of **SB 340,** page 1, title, by deleting same and inserting in lieu thereof: "AN ACT relating to crimes and punishments."

Floor Amendment No. 3 to **SB 340,** by Representative Bruce:

Amend printed copy of **SB 340,** page 2, below line 12, by adding the following:

"Section 2. KRS 528.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Advancing gambling activity" — A person "advances gambling activity" when, acting other than as a player, he engages in conduct that materially aids any form of gambling activity. Such conduct includes but is not limited to conduct directed toward the establishment of the particular game, contest, scheme, device or activity involved; toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor; toward the solicitation or inducement of persons to participate therein; toward the actual conduct of the playing phases thereof; toward the arrangement of any of its financial or recording

phases or toward any other phase of its operation. A person who gambles at a social game of chance on equal terms with other participants does not otherwise advance gambling activity by performing acts, without remuneration or fee, directed toward the arrangement or facilitation of the game as inviting persons to play, permitting the use of premises therefor and supplying equipment used therein.

(2) "Bookmaking" means advancing gambling activity by unlawfully accepting bets upon the outcome of future contingent events from members of the public as a business.

(3) "Gambling" means staking or risking something of value upon the outcome of a contest, game, gaming scheme or gaming device which is based upon an element of chance, in accord with an agreement or understanding that someone will receive something of value in the event of a certain outcome.

(4) "Gambling device" means:

(a) Any so-called slot machine or any other machine or mechanical device an essential part of which is a drum or reel with insignia thereon, and which when operated may deliver, as a result of the application of an element of chance, any money or property, or by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(b) Any other machine or any mechanical or other device (including but not limited to roulette wheels, gambling tables and similar devices) designed and manufactured primarily for use in connection with gambling and which when operated may deliver, as the result of the application of an element of chance, any money or property, or by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

(c) But, the following are not to be considered gambling devices within this definition:

1. Devices dispensing or selling combination or French pools on licensed, regular racetracks during races on said tracks.

2. Electro-mechanical pinball machines specially designed, constructed, set up and kept to be played for amusement only; provided any such pinball machine shall be made to receive and react only to the deposit of coins during the course of a game; *provided that the pinball or video machine shall not have a multiple game counter or odds making device;* provided the ultimate and only award given directly or indirectly to any player for the attainment of a winning score or combination on any such pinball machine shall be the right to play one (1) or more additional games immediately on the same device at no further cost; provided the maximum number of free games that can be won, registered, or accumulated at one (1) time in operation of any such pinball machine shall not exceed *ten (10)* [~~thirty (30)~~] free games; provided any such pinball machine shall be made to discharge accumulated free games only by reactivating the playing mechanism once for each game released; and provided any such pinball machine shall be made and kept with no meter or system to preserve a record of free games played, awarded or discharged. Nonetheless, a pinball machine shall be a gambling device if a person gives or promises to give money, tokens, merchandise, premiums or property of any kind for scores, combinations or free games obtained in playing such pinball machine in which such person has an interest as owner, operator, keeper or otherwise.

(5) "Lottery and gift enterprise" means:

(a) A gambling scheme in which:

1. The players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or by some other media, one (1) or more of which are to be designated the winning ones; and

2. The winning chances are to be determined by a drawing or by some other method based upon the element of chance; and

3. The holders of the winning chances are to receive something of value.

(b) A gift enterprise or referral sales plan which meets the elements of a lottery listed in subsection (5)(a) is to be considered a lottery under this chapter.

(6) "Mutuel" or "the numbers games" means a form of lottery in which the winning chances or plays are not determined upon the basis of a drawing or other act on the part of persons conducting or connected with the scheme, but upon the basis of the outcome or outcomes of a future contingent event or events otherwise unrelated to the particular scheme.

(7) "Player" means a person who engages in any form of gambling solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of the particular gambling activity. A person who engages in "bookmaking" as defined in subsection (2) is not a "player." The status of a "player" shall be a defense to any prosecution under this chapter.

(8) "Profiting from gambling activity" — A person "profits from gambling activity" when, other than as a player, he accepts or receives or agrees to accept or receive money or other property pursuant to an agreement or understanding with any person whereby he participates or is to participate in the proceeds of gambling activity.

(9) "Something of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise directly or indirectly contemplating transfer of money

or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.

(10) (a) "Charitable gaming" means games of chance, including bingo, operated by charitable or religious organizations or institutions. In order to assume a charitable gaming status, the charitable or religious organization or institution and the gaming activity conducted thereby shall conform to the following requirements:

1. The organization or institution conducting the gaming activity shall maintain a charitable or religious tax exemption according to the Federal Internal Revenue Code and shall have maintained such federal tax exempt status for a period of five (5) years prior to any prosecution under this chapter;

2. The gaming activity conducted by such organization or institution shall be operated exclusively by volunteer personnel receiving no remuneration whatsoever for their services;

3. Any proceeds resulting from the operation of charitable gaming activity shall be utilized solely for purposes consistent with the charitable or religious functions and objectives for which the operating organization or institution received and maintained federal tax exempt status.

(b) The status of "charitable gaming" shall be a defense to any prosecution under this chapter.

Floor Amendment No. 2 to **SB 345,** by Representative Barrows:

Amend printed copy of **SB 345,** page 6, after line 20, by adding the following: *26. KRS Chapter 224.862 through 224.884 and 224.996(6) - (relating to hazardous wastes).*

Floor Amendment No. 4 to **SB 348,** by Representative Rapier:

Amend printed copy of **SB 348,** page 2, after line 3, by adding the following:

"Section 2. KRS 244.290 is amended to read as follows:

(1) No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen or other municipal legislative body of cities of the first, second, [~~or~~] third *or fourth* class in which traffic in distilled spirits and wine is permitted under KRS chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first, second, [~~or~~] third *or fourth* class are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first, second, [~~or~~] third *or fourth* class during the twenty-four hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in subsection (2) of this section, and that no distilled spirits or wine may be sold on any election day while the polls are still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine is permitted under KRS chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsection (2) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

Section 3. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours

of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, [~~or~~] third *or fourth* class in which traffic in malt beverages is permitted by KRS chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, [~~or~~] third *or fourth* class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second or third class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open."

Floor Amendment No. 2 to **SB 352,** by Representative Tobin:

Amend printed copy of **SB 352,** page 3, following line 23, by adding the following:

"Section 2. KRS 64.530 is amended to read as follows:

(1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the compensation of every county officer and employe except the officers named in KRS 64.535 and the county attorney. The fiscal court may provide a salary for the county attorney.

(2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employes, but employes of county boards or commissions which are now authorized by law to fix the compensation of their employes shall not be deemed to be county employes for the purposes of this section.

(3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court *shall* [~~may~~] also fix the number of deputies and assistants, and, the compensation thereof, and *may fix* the maximum amount that the officer may expend each year for expenses of his office.

(4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. *The fiscal court may, upon the written request of the officer, increase or decrease the number of permanent or temporary deputies and assistants authorized to the office at any time after the beginning of the term of the officer. The fiscal court shall fix the compensation of deputies and assistants hired during the term of the officer at the time of their employment, and their compensation may be reviewed and adjusted at the same time as that of other deputies and assistants.* On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.

(5) Nothing in this section shall apply to property valuation administrators or their deputies, assistants and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants and expenses, in counties having a population of 75,000 or more.

(6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third or fourth class, shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first class shall not exceed nine thousand six hundred dollars ($9,600) per year, in counties containing cities of the second class it shall not exceed nine thousand dollars ($9,000) per year and in counties containing cities of the third or fourth class it shall not exceed twenty percent (20%) more than the annual compensation paid in the county for the calendar year immediately preceding 1974, and all of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; nor shall they receive any compensation for serving on

committees of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office.

Section 3. KRS 68.290 is amended to read as follows:
The fiscal court may transfer money from one (1) budget fund to another to provide for emergencies *or increases or decreases in county employment pursuant to KRS 64.530(4)*. The order of the fiscal court making the transfer shall show the nature of the emergency *or personnel increase or decrease* and the reason for making the transfer. The fiscal court shall not have any power to transfer money from any sinking fund or special fund raised for a specific purpose until the obligation or purpose for which the fund was raised has been satisfied."

Floor Title Amendment to **SB 374,** by Representative Priddy:

Amend printed copy of **SB 374,** page 1, Title, by deleting "the" and "code"

Floor Amendment No. 2 to **SB 374,** by Representative LeMaster:

Amend printed copy of **SB 374,** page 12, line 11, by adding the following:

SECTION 14. A NEW SECTION OF SUBTITLE 43 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Every prepaid dental plan organization shall, on or before March 1 of each year, provide the commissioner a statement under oath of all the enrollment or membership fees collected during the previous calendar year, less any returned fees. At the time the statement is provided, each such organization shall pay a tax of one percent (1%) on the fees stated, to the examination expense revolving fund established by KRS 304.2-300, to cover the cost of administering this subtitle.

Floor Amendment No. 3 to **SB 374,** by Representative Priddy:

Amend printed copy of **SB 374,** page 12, after line 10, by adding the following language:

"Section 14. KRS 136.350 is amended to read as follows:
(1) All mutual companies other than life doing business under this law shall pay to the department of revenue on or before the first day of March in each year, a tax of two per cent (2%) of all amounts paid to the company or its representative, whether designated as premiums or otherwise, for insurance or services incident thereto, including amounts paid for membership or policy dues or fees, on property or risks in this state during the preceding calendar year, including amounts received for reinsurance on Kentucky risks from unauthorized companies.
(2) In addition to the foregoing tax, mutual insurance companies and Lloyd's insurers shall pay an annual tax as prescribed for stock insurance companies by KRS 136.360 and for like purposes.
(3) In computing premiums upon which tax is to be paid there shall be deducted, in both direct and reinsurance business, return premiums on canceled policies and policies not taken, and dividends paid or credited to policyholders.
(4) The provisions of this section *also* shall [~~not~~] apply to domestic mutual companies, cooperative or assessment fire insurance companies."

Floor Title Amendment to **SB 382,** by Representative Meyer:

Amend printed copy of **SB 382,** page 1, title, by changing the title to read as follows: "AN ACT relating to the General Assembly."

Floor Amendment No. 1 to **SB 382,** by Representative Meyer:

Amend printed copy of **SB 382,** page 6, after line 21, by adding the following:

"SECTION 3. KRS CHAPTER 6A IS ESTABLISHED AND A NEW SECTION THEREOF CREATED TO READ AS FOLLOWS:
During an organizational session, the general assembly may employ less than but shall not employ more than the number of employes stated in Constitution Section 249.

SECTION 4. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Beginning as of January 1, 1983, the members of the general assembly, other than the speaker of the house of representatives, the president pro tempore of the senate and the majority and minority leadership of each house of the general assembly, shall each receive as compensation fifty dollars ($50.00) per day, the president of the senate, the president pro tempore of the senate and the speaker of the house of representatives shall each receive as compensation seventy-five dollars ($75.00) per day, the majority and minority floor leaders of each house of the general assembly shall each receive as compensation seventy dollars ($70.00) per day, and the assistant president pro tempore of the senate, the speaker pro tempore and the majority and minority caucus chairmen and whips of each house of the general assembly shall each receive as compensation sixty-five dollars ($65.00) per day, during the organizational session of the general assembly for each day on which the general assembly convenes. Beginning as of January 1, 1985, the members of the general assembly, other than the speaker of the house of representatives, the president pro tempore of the senate and the majority and minority leadership of each house of the general assembly, shall each receive as compensation one hundred dollars ($100) per day, the president of the senate, the president pro tempore of the senate and the speaker of the house of representatives shall each receive as compensation one hundred twenty-five dollars ($125) per day, the majority and minority floor leaders of each house of the general assembly shall each receive as compensation one hundred twenty dollars ($120) per day, and the assistant president pro tempore of the senate, the speaker pro tempore and the majority and minority caucus chairmen and whips of each house of the general assembly shall each receive as compensation one hundred fifteen dollars ($115) per day, during the organizational session of the general assembly for each day on which the general assembly convenes. Effective January 1, 1983, each member of the general assembly and the president of the senate shall receive mileage and reimbursement of road tolls for one (1) round trip for each week of the organizational session during which the general assembly convenes for at least one (1) day, between his home and the state capitol and the necessary travel in going to and returning from the sessions of their respective houses. No member of the general assembly shall receive such travel expenses for more than ten (10) round trips during an organizational session. The mileage allowance under this section shall be equal to the maximum mileage allowance permitted by the federal government, to be increased as the mileage allowance is increased by the federal government.

SECTION 5. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Effective January 1, 1983, in addition to any and all sums, compensation, or expenses authorized by law, the members of the general assembly, and the president of the senate, shall each receive an expense allowance of seventy-five dollars ($75.00) for each day on which the general assembly convenes during an organizational session. In addition, members of the general assembly and the president of the senate shall be reimbursed for all necessary expenses incurred in preparation for an organizational session.

SECTION 6. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Each member of the general assembly shall receive the monthly allowance authorized by KRS 6.213 during an organizational session, which shall be prorated so that they receive such allowance only for that portion of the month during which the general assembly did not convene in organizational session. Such expense allowances shall be paid by the state treasury out of the general fund of the Commonwealth upon warrant of the department of finance, issued on the certification of the director of the legislative research commission.

SECTION 7. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

In lieu of stationery, there shall be allowed to each member of the general assembly, including the lieutenant governor, the sum of fifty dollars ($50). This allowance shall be paid out of the state treasury at the beginning of each organizational session.

SECTION 8. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

All laws in KRS Chapter 6 pertaining to lobbyists during a regular or extraordinary session of the general assembly shall be applicable during an organizational session.

SECTION 9. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall prepare and publish or contract for preparation and publishing of a daily index and digest of activity in the general assembly.

SECTION 10. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall conduct an orientation conference for members of the general assembly in preparation for the organizational session.

SECTION 11. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 6.245, a member of the general assembly may during an organizational session, prefile a bill or resolution for introduction in the next succeeding regular legislative session with the director of the legislative research commission.

SECTION 12. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

KRS Chapter 6 shall apply to organizational sessions, except as provided in this Act, in the same manner and to the same extent for organizational sessions of the general assembly as for regular sessions of the general assembly.

SECTION 13. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The legislative research commission shall maintain separate bill request files as follows:

(1) A regular session bill request file in which all requests for legislation to be enacted at a regular session are filed in serial order;

(2) A special session bill request file which shall be maintained from the time the governor issues an executive order calling a special session of the general assembly until the end of the special session in which all requests for legislation to be enacted at a special session are filed in serial order;

(3) An organizational session bill request file in which all requests for resolutions to be enacted at an organizational session are filed in serial order;

(4) Bill requests filed for a particular type of session of the general assembly shall not be introduced in a session of a type other than that for which they are filed. This section shall not be construed as prohibiting the filing of multiple requests by the same or other sponsors for one (1) or more types of sessions of the general assembly.

(5) Each bill request shall indicate on its face the type of session and the year of session of the general assembly for which it is being filed.

SECTION 14. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

Any action ordered taken or taken by the legislative program review and investigation committee pursuant to KRS 6.905 may be rescinded, amended, or otherwise modified by action at an organizational session of the general assembly. An organizational session of the general assembly shall have the same power to order studies or investigations and take all actions with regard to KRS 6.905 to 6.935 as a regular session of the general assembly.

SECTION 15. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The general assembly may, during any organizational session thereof, undertake a review of and approve or disapprove any administrative regulation laid before it pursuant to KRS Chapter 13 in the same manner as it could during a regular session of the general assembly.

SECTION 16. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

In preparation for and during an organizational session of the general assembly the assignment of bill requests and bills to committees or interim committees shall be as follows:

(1) Bills which have been prefiled for a regular session of the general assembly shall be assigned to interim committees by the legislative research commission.

(2) Bills which have been prefiled for a special session of the general assembly shall be assigned to interim committees by the legislative research commission.

(3) Bills which have been prefiled for an organizational session of the general assembly shall be assigned to interim committees by the legislative research commission.

(4) Bills which are prefiled during the period of an organizational session for a regular or special session of the general assembly shall be assigned to interim committees by the committee on committees of each respective house.

(5) Bills which are filed during the period of an organizational session of the general assembly for action by the organizational session shall be assigned to committees by the committee on committees of the respective houses.

SECTION 17. A NEW SECTION OF KRS CHAPTER 6A IS CREATED TO READ AS FOLLOWS:

The general assembly, during an organizational session, shall possess the same rulemaking powers as it possesses during a regular session thereof."

Floor Amendment No. 1 to **SB 392,** by Representative Cyrus:

Amend printed copy of **SB 392,** page 5, line 2, following *program.*

A local school district superintendent, who by statute is a state officer, shall not serve as a director or officer of a bank, trust company, or savings or loan association which has his school district funds on deposit.

Senate Message

Announcing passage of **HB 50, HB 146, HB 289, HB 391, HB 441, HB 465, HB 544, HB 587, HB 668, HB 693, HB 807, HB 813,** and **HJR 72.**

Recess

Representative LeMaster moved that the House recess for five minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative LeMaster moved that no further business be conducted on this day other than Report of Committees. Agreed.

Representative LeMaster moved that the rules be suspended for the purpose of making adjournment plans. Agreed.

Representative LeMaster moved that when the House adjourns, it do so by voice vote. Agreed.

Representative LeMaster moved that when the House adjourns, it do so until 12 noon, Monday, March 29, 1982. Agreed.

Recess

Representative LeMaster moved that the House recess for thirty minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative LeMaster moved that the rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Rules reported **SB 273** and **SB 296** have been posted for passage in Orders of the Day, March 29, 1982.

Adjournment

Representative LeMaster moved that the House adjourn.

The House adjourned until 12 noon, March 29, 1982, by voice vote.

MONDAY, MARCH 29, 1982

FIFTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend Kenneth Pierce, Sardis Methodist Church, Nancy, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 26, 1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 2, SB 31, SCR 50, SB 51, SB 135, SB 168, SB 170, SB 193, SB 197, SB 203, SB 220, SB 226, SB 250, SB 327, SB 339, HB 50, HB 106, HB 146, HB 166, HB 172, HB 179, HB 289, HB 290, HB 296, HB 311, HB 334, HB 391, HB 398, HB 426, HB 441, HB 465, HB 468, HB 484, HB 544, HB 587, HB 668, HB 693, HB 807, HB 813,** and **HJR 72** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:30 p.m.)

HB 50, HB 106, HB 146, HB 166, HB 172, HB 179, HB 289, HB 290, HB 296, HB 311, HB 334, HB 391, HB 398, HB 426, HB 441, HB 465, HB 468, HB 484, HB 544, HB 587, HB 668, HB 693, HB 807, HB 813, and **HJR 72** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Introduction of Resolutions

HR 114, by Representative List: A RESOLUTION requesting the legislative research commission to appoint a subcommittee of the interim joint committee on elections and constitutional amendments to study the specificity and adequacy of the current statutes relative to the contest of elections, campaign financing requirements, and political advertising requirements.

Reference of Bills and Resolutions

The Clerk announced the Committee on Committees has referred the following Bill:

Health and Welfare: **SB 42.**

Senate Message

Announcing passage of **HB 156, HB 456, HB 493, HB 538, HB 573, HB 653, HB 659, HB 681, HJR 52, HCR 61, HB 116** with Senate Amendment, **HB 315** with Senate Amendment, **HB 320** with Senate Amendment, **HB 421** by way of Senate Committee Substitute, **HB 438** by way of Senate Committee Substitute, **HB 440** with Senate Amendment, **HB 460** with Senate Amendment, **HB 545** with Senate Amendment, **HB 546** with Senate Amendment, **HB 566** with Senate Amendment, **HB 571** by way of Senate Second Committee Substitute and Senate Amendments, **HB 686** with Senate Amendment, **HB 697** with Senate Amendment, **HB 758** with Senate Amendments, **HB 785** with Senate Amendments, and **HB 809** with Senate Amendment.

Calendar

SB 356 taken from the Calendar and ordered read at length for the second time. Representative LeMaster moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

Representative LeMaster moved that **HB 777** be recommitted to the Committee on Judiciary-Criminal. Agreed.

Representative LeMaster moved that **HB 534** be recommitted to the Committee on Appropriations and Revenue. Agreed.

SB 74, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Foster moved that **SB 74** be passed.

Representative White moved the adoption of the Floor Amendment No. 1 to **SB 74.** Agreed.

Representative White moved that **SB 74,** as amended, be passed.

On the roll call the vote was yeas 87-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Deskins, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 74, as amended, was passed and the title agreed to.

Representative Foster moved that the vote by which **SB 74,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 352, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **SB 352** be passed.

Representative Morris moved the adoption of the Floor Amendment No. 1 to **SB 352.** Agreed.

Representative Arnold moved that **SB 352,** as amended, be passed.

On the roll call the vote was yeas 75-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Layman, Lefevers, Little, Long, Maggard, Mann, McBee, McNutt, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Tobin, Todd, Turner, White, Williams, Worthington. Nays 6-Barrows, Brown, Farrow, Lile, Meyer, Van Horn.

SB 352, as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **SB 352,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 90 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of **HR 90.**

HR 90 was adopted by voice vote.

HR 93 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of **HR 93.**

HR 93 was adopted by voice vote.

SB 144, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **SB 144** be passed.

Representative Stumbo moved the adoption of the Floor Amendment No. 1 to **SB 144.** Agreed.

Representative Van Horn moved that **SB 144** be passed.

Representative Little moved the adoption of the Committee Amendment No. 1 to **SB 144.** Agreed.

On the roll call the vote was yeas 54-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Freibert, Gray, Handy, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Maggard, McBee, Meyer, Moberly, Morris, Noe, Noland, O'Brien, Perkins, Petty, Priddy, Richards, B. Richardson, B. Smith, F. Smith, Stone, Stumbo, Tobin, Van Horn, Williams, Yates. Nays 31-Allen, Barrows, Bendl, Clapp, Clarke, Crupper, Ellington, Endicott, Farrow, Ford, Foster, Guenthner, Haering, Hancock, Harper, Heleringer, Holloway, Layman, Lefevers, List, MuNutt, Moore, Overstreet, Patrick, Pearman, Rapier, Rattliff, P. Richardson, Schmidt, Turner, White.

SB 144, as amended, was passed and the title agreed to.

Representative Van Horn moved that the vote by which **SB 144,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 152, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 152** be passed.

On the roll call the vote was yeas 55-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Gray, Handy, Head, Hines, Holloway, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, Long, McBee, McNutt, Meyer, Moberly, Morris, Noe, O'Brien, Perkins, Petty, Richards, B. Richardson, P. Richardon, B. Smith, F. Smith, Stone, Todd, Van Horn, Williams, Yates. Nays 24-Allen, Burnette, Caldwell, Endicott, Farrow, Foster, Guenthner, Haering, Hancock, Harper, Heleringer, Holbrook, Layman, Lefevers, Little, Moore, Overstreet, Patrick, Pearman, Priddy, Rapier, Rattliff, Schmidt, Turner.

SB 152 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 152** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 167 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 167** be passed.

On the roll call the vote was yeas 78-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Noland, O'Brien, Overstreet, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, B. Smith, F. Smith, Stone, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 12-Allen, Barrows, Bruce, Burnette, Haering, Hancock, Lefevers, Moore, Noe, Pearman, Priddy, Schmidt.

SB 167 was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 167** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 172 taken from Orders of the Day and ordered read at length for the third time. Representatives LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 172** be passed.

On the roll call the vote was yeas 80-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Van Horn, White, Williams, Worthington, Yates. Nays 9-Barrows, Bruce, Freibert, Hancock, Noe, Priddy, Rattliff, Todd, Turner.

SB 172 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 172** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 174 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 174** be passed.

On the roll call the vote was yeas 84-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 5-Brinkley, Bruce, Little, Morris, Priddy.

SB 174 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 174** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 138, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved that **SB 138** be passed.

Representative Bennett moved the adoption of the Floor Amendment No. 2 to **SB 138.** Agreed.

Representative Bennett moved the adoption of Floor Amendment No. 4 to **SB 138.** Agreed.

Representative Tobin moved the adoption of the Committee Substitute to **SB 138.**

Representative Guenthner moved that the Committee Substitute to **SB 138** be laid on the table. Rejected.

Representative Tobin moved the adoption of the Committee Substitute to **SB 138.** Rejected.

Representative Nett moved that **SB 138,** as amended, be passed.

On the roll call the vote was yeas 48-Bendl, Bennett, Blevins, Bronger, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Curd, Deskins, Donnermeyer, Dunn, Farrow, Foster, Fryman, Haering, Handy, Harper, Hines, R. Jones, Lefevers, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, Patrick, Petty, Priddy, Rapier, Richards, Robinson, B. Smith, F. Smith, Thomas, Van Horn, White, Williams. Nays 39-Allen, Arnold, Barrows, Blandford, Boswell, Brinkley, Brown, Burnette, Clapp, Crupper, Cyrus, Dawahare, Ellington, Endicott, Ford, Freibert, Gray, Guenthner, Hancock, Heleringer, Holbrook, Holloway, T. Jones, Kenton, Layman, Little, Maggard, McNutt, Moore, O'Brien, Pearman, Perkins, Rattliff, P. Richardson, Schmidt, Stone, Stumbo, Tobin, Turner.

SB 138, as amended, was passed.

Representative Bennett moved the adoption of the Floor Title Amendment No. 1 to **SB 138.** Agreed.

Representative Nett moved that the vote by which **SB 138,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thomason presiding.

SB 264, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read as length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clapp moved the adoption of the Floor Amendment No. 1 to **SB 264.** Agreed.

Representative Harper moved that **SB 264,** as amended, be passed.

On the roll call the roll was yeas 76-Barrows, Bendl, Blandford, Blevins, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Tobin, Todd, Turner, Williams, Worthington, Yates. Nays 4-Head, Meyer, Pearman, Van Horn.

SB 264, as amended, was passed.

Representative Harper moved the adoption of the Floor Title Amendment to **SB 264.** Agreed.

Representative Harper moved that the vote by which **SB 264,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 280 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 280** be passed.

On the roll call the vote was yeas 65-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Gray, Guenthner, Hancock, Handy, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Noe, Noland, O'Brien, Petty, Priddy, Rapier, Richards, P. Richardson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 17-Allen, Brown, Caldwell, Ford, Freibert, Fryman, Haering, Harper, Layman, Lefevers, Moore, Overstreet, Patrick, Pearman, Rattliff, Robinson, Schmidt.

SB 280 was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 280** was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 367, HB 244** with Senate Amendment, **HB 768** with Senate Amendment, **HB 90, HB 370, HB 397, HB 450, HB 531, HB 533, HB 536, HB 542, HB 669, HB 703, HB 742, HB 791, HB 806, HCR 66,** and **HR 80.**

SB 96 returned with the following message: The Senate has refused to concur in the House Amendments to **SB 96** and respectfully returns it with the request that this Honorable Body recede from the Amendments.

Orders of the Day (continued)

SB 281 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Boswell moved that **SB 281** be passed.

On the roll call the vote was yeas 31-Barrows, Bennett, Boswell, Clapp, Clark, Clarke, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Freibert, Hancock, LeMaster, List, Little, Lundergan, McBee, Meyer, O'Brien, Petty, Rapier, Richards, B. Smith, F. Smith, Stone, Stumbo, Thomas, White, Williams. Nays 44-Allen, Blandford, Blevins, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Dawahare, Deskins, Ellington, Farrow, Ford, Foster, Fryman, Gray, Haering, Harper, Head, Heleringer, Johnson, T. Jones, Kidd, Layman, Lefevers, Lile, Mann, McNutt, Moberly, Moore, Morris, Noland, Overstreet, Pearman, Perkins, Priddy, Rattliff, Robinson, Todd, Turner, Van Horn, Worthington, Yates.

SB 281 was defeated.

SB 115 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 115** be passed.

On the roll call the vote was yeas 79-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, McBee, Meyer, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, White, Williams, Worthington, Yates. Nays 10-Allen, Dawahare, Haering, Kenton, List, Moore, Priddy, Todd, Turner, Van Horn.

SB 115 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 115** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 116 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 116** be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Endicott, Priddy, Schmidt.

SB 116 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 116** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 117 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 117** be passed.

On the roll call the vote was yeas 80-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Rapier, Rattliff, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 10-Allen, Bruce, Burnette, Endicott, Moore, Morris, Pearman, Priddy, Schmidt, Todd.

SB 117 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 117** was passed be reconsidered and said motion be placed on the table. Agreed.

Proposed Regulation 815 KAR 7:050 taken from Orders of the Day. Representative LeMaster moved that the Report of the Committee be considered. Agreed.

Representative List moved the adoption of the Report of the Committee on Cities recommending that Proposed Regulation 815 KAR 7:050 be disapproved because it does not conform to statutory authority and legislative intent.

On the roll call the vote was yeas 74-Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Holbrook, R. Jones, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lungergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Rapier, Rattliff, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Yates. Nays 1-Heleringer.

The Report of the Committee in regard to Proposed Regulation 815 KAR 7:050 was adopted.

Representative List moved that the vote by which the Report of Committee in regard to Proposed Regulation 815 KAR 7:050 was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 94, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mann moved that **SB 94** be passed.

Representative Richards moved the adoption of the Floor Amendment No. 1 to **SB 94.** Agreed.

Representative Mann moved that **SB 94,** as amended, be passed.

On the roll call the vote was yeas 77-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Handy, Harper, Head, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Little, Long, Lundergan, Maggard, McBee, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Richards, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 5-Brown, Clarke, Hancock, McNutt, Pearman.

SB 94, as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **SB 94,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 148, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 148** be passed.

Representative Richards moved the adoption of the Committee Amendment No. 1 to **SB 148.** Agreed.

Representative LeMaster moved that **SB 148,** as amended, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clark, Clarke, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, B. SMith, F. Smith, Stone, Thomason, Tobin, Turner,Van Horn, White, Williams, Yates. Nays 1-Fryman.

SB 148, as amended, was passed.

Representative Richards moved the adoption of the Committee Title Amendment to **SB 148.** Agreed.

Representative LeMaster moved that the vote by which **SB 148,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 218, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Brinkley moved that **SB 218** be passed.

Representative White moved the adoption of the Floor Amendment No. 1 to **SB 218.**

On the roll call the vote was yeas 38-Allen, Blandford, Blevins, Boswell, Bronger, Bruce, Burnette, Craddock, Dawahare, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Haering, Head, Heleringer, Holbrook, T. Jones, Layman, Lefevers, Lundergan, Moore, Morris, Noe, Noland, Patrick, Pearman, Perkins, Rapier, Richards, Robinson, Seum, Stumbo, Van Horn, White, Williams. Nays 40-Arnold, Barrows, Bendl, Bennett, Brinkley, Burch, Clapp, Clarke, Cowan, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Gray, Guenthner, Hancock, Harper, R. Jones, Kenton, LeMaster, List, Long, Maggard, McNutt, Meyer, Moberly, O'Brien, Overstreet, Petty, Priddy, B. Richardson, P. Richardson, Schmidt, Stone, Thomason, Todd, Turner, Yates.

Floor Amendment No. 1 to **SB 218** was rejected.

Representative F. Smith moved that Floor Amendment No. 4 to **SB 218** be withdrawn. Agreed.

Representative Stumbo moved the adoption of the Floor Amendment No. 2 to **SB 218.** Rejected.

Representative Brinkley moved that **SB 218** be passed.

On the roll call the vote was yeas 67-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, Kenton, Layman, Lile, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Riner, Seum, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 14-Barrows, Dawahare, Endicott, T. Jones, Lefevers, LeMaster, Moberly, Moore, Noland, Patrick, Perkins, Stumbo, Thomas, White.

SB 218 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 218** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 228 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 228** be passed.

On the roll call the vote was yeas 84-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 0.

SB 228 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 228** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 230, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of the Committee Amendment No. 1 to **SB 230.** Agreed.

The Speaker resumed the Chair.

Representative Holbrook moved that **SB 230,** as amended, be passed.

On the roll call the vote was yeas 12-Burch, Caldwell, Haering, Hancock, Holbrook, R. Jones, Kenton, Layman, Lundergan, Meyer, P. Richardson, Schmidt. Nays 69-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Harper, Head, Heleringer, Hines, T. Jones, Kidd, Lefevers, Lile, List, Little, Long, Maggard, Mann, McBee, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Rapier, Richards, B. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Yates.

SB 230, as amended, was defeated.

Representative Holbrook moved that the vote by which **SB 230,** as amended, was defeated be reconsidered and said motion be placed on the table. Agreed.

SB 282, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Williams moved the adoption of Committee Amendment No. 1 to **SB 282.** Agreed.

Representative Williams moved that **SB 282,** as amended, be passed.

On the roll call the vote was yeas 64-Arnold, Bennett, Blandford, Boswell, Brinkley, Brown, Burch, Caldwell, Clapp, Cowan, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Rattliff, Richards, B. Richardson, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, Williams, Worthington, Yates. Nays 14-Allen, Barrows, Blevins, Burnette, Crupper, Endicott, Handy, Harper, Heleringer, Moore, Morris, Rapier, P. Richardson, Schmidt.

SB 282, as amended, was passed and the title agreed to.

Representative Williams moved that the vote by which **SB 282,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 45 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of **SJR 45.**

On the roll call the vote was yeas 72-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Bruce, Burch, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holloway, T. Jones, Kenton, Kidd, Lefevers, Lile, List, Little, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams, Worthington, Yates. Nays 5-Caldwell, Haering, Long, Patrick, Turner.

SJR 45 was adopted and the title agreed to.

Representative Thomason moved that the vote by which **SJR 45** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 252, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **SB 252** be passed.

Representative White moved the adoption of the Floor Amendment No. 1 to **SB 252.** Agreed.

Representative Holbrook moved the adoption of the Floor Amendment No. 4 to **SB 252.** Agreed.

Representative Barrows moved that **SB 252,** as amended, be passed.

Representative Priddy moved the adoption of the Floor Amendment No. 5 to **SB 252.** Agreed.

Representative Barrows moved that **SB 252,** as amended, be passed.

On the roll call the vote was yeas 64-Barrows, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Haering, Handy, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Thomason, Turner, Van Horn, White, Worthington, Yates. Nays 21-Crupper, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Harper, Heleringer, Layman, Lefevers, Lile, List, McNutt, Rattliff, P. Richardson, Robinson, Schmidt, Tobin, Todd.

SB 252, as amenced, was passed and the title agreed to.

Representative Barrows moved that the vote by which **SB 252,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 267, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 267** be passed.

Representative F. Smith moved the adoption of the Floor Amendment No. 1 to **SB 267.**

Representative Long inquired whether Floor Amendment No. 1 was germane to **SB 267.**

The Speaker ruled Floor Amendment No. 1 was not germane to **SB 267.**

Representative Van Horn and F. Smith appealed the ruling of the Chair.

Speaker Pro Tempore Thomason presiding.

On the roll call the vote was yeas 69-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Harper, Head, Holloway, Layman, Lefevers, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, B. Smith, Stone, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 6-Barrows, Guenthner, Hancock, Heleringer, Kidd, F. Smith.

The ruling of the Chair was upheld.

Speaker Richardson resumed the Chair.

Representative Deskins moved that **SB 267** be passed.

On the roll call the vote was yeas 88-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

SB 267 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 267** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 302 taken form Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **SB 302** be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, Lile, Little, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Guenthner, B. Smith.

SB 302 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **SB 302** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 329, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved that **SB 329** be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Harper, Head, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Lundergan, Maggard, McBee, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

SB 329 was passed and the title agreed to.

Representative Burnette moved that the vote by which **SB 329** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 340, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative Lemaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riner moved the adoption of the Floor Amendment No. 1 to **SB 340.** Agreed.

Representative Bruce moved the adoption of the Floor Amendment No. 3 to **SB 340.**

Representative R. Jones inquired whether Floor Amendment No. 3 to **SB 340** was germane to **SB 340.**

The Speaker ruled Floor Amendment No. 3 was not germane to **SB 340.**

Representative Tobin moved that the rules be suspended to waive the 24-hour requirement for filing amendments.

On the roll call the vote was yeas 34-Boswell, Bruce, Caldwell, Clapp, Cowan, Cyrus, Dawahare, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Guenthner, Harper, Heleringer, Holbrook, Holloway, Kenton, Lefevers, Lile, Maggard, McNutt, Moore, Morris, Patrick, Pearman, Rattliff, Robinson, Schmidt, F. Smith, Tobin, Todd, Turner. Nays 41-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Burch, Burnette, Craddock, Crupper, Curd, Donnermeyer, Dunn, Gray, Haering, Head, Hines, R. Jones, Layman, LeMaster, List, Little, Long, McBee, Meyer, Moberly, O'Brien, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Stone, Thomason, Van Horn, White, Williams.

The motion that the rules be suspended to waive the 24-hour requirement for filing amendments was rejected.

Representative Williams moved that **SB 340,** as amended, be passed.

On the roll call the vote was yeas 85-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 1-McNutt.

SB 340, as amended, was passed.

Representative Riner moved the adoption of the Floor Title Amendment to **SB 340.** Agreed.

Representative Williams moved that the vote by which **SB 340,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 173, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of the Committee Amendment No. 1 to **SB 173.** Agreed.

Representative Boswell moved that **SB 173,** as amended, be passed.

Representative Clarke moved the adoption of the Floor Amendment No. 2 to **SB 173.**

On the roll call the vote was yeas 51-Allen, Arnold, Bennett, Blevins, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Dawahare, Deskins, Ellington, Endicott, Farrow, Foster, Freibert, Fryman, Guenthner, Haering, Harper, Heleringer, Holbrook, Holloway, Johnson, R. Jones, Layman, Lile, List, Little, Long, McBee, Meyer, Moberly, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rattliff, Richards, Riner, Schmidt, B. Smith, Thomason, Todd, Turner. Nays 40-Barrows, Blandford, Boswell, Brinkley, Bronger, Brown, Clapp, Cline, Crupper, Curd, Cyrus, Dunn, Gray, Hancock, Head, Hines, T. Jones, Kenton, Kidd, Lefevers, Lundergan, Maggard, Mann, McNutt, Moore, Noe, Perkins, Rapier, B. Richardson, P. Richardson, Robinson, Seum, F. Smith, Stone, Stumbo, Tobin, Van Horn, White, Williams, Yates.

Floor Amendment No. 2 to **SB 173** was adopted.

Representative Morris moved the adoption of the Floor Amendment No. 1 to **SB 173.** Agreed.

Representative Boswell moved that **SB 173,** as amended, be passed.

On the roll call the vote was yeas 86-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 7-Barrows, Hancock, McNutt, Noe, Perkins, Priddy, Tobin.

SB 173, as amended, was passed and the title agreed to.

Representative Boswell moved that the vote by which **SB 173,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 366, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of the Committee Substitute to **SB 366.** Agreed.

Representative Guenthner moved that **SB 366,** by way of Committee Substitute, be passed.

On the roll-call the vote was yeas 68-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Kenton, Kidd, Lefevers, Lile, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Riner, Robinson, Schmidt, Seum, F. Smith, Stone, Stumbo, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 24-Barrows, Burnette, Clarke, Crupper, Cyrus, Ellington, Ford, Foster, Fryman, Haering, Johnson, T. Jones, Layman, LeMaster, List, Maggard, Moberly, Pearman, Rapier, Richards, P. Richardson, Thomas, Todd, Turner.

SB 366, by way of Committee Substitute, was passed and the title agreed to.

Representative Guenthner moved that the vote by which **SB 366,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 374, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved the adoption of Floor Amendment No. 2 to **SB 374.** Rejected.

Representative O'Brien moved that **SB 374** be passed.

On the roll call the vote was yeas 82-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, Stone, Stumbo, THomason, Tobin, Todd, Van Horn, White, Williams, Yates. Nays 2-Curd, Turner.

SB 374 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **SB 374** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 380 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 380** be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Bennett, Blandford, Blevins, Boswell, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 0.

SB 380 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 380** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 90, HB 139, HB 140, HB 156, HB 301, HB 370, HB 397, HB 450, HB 493, HB 531, HB 533, HB 536, HB 537, HB 538, HB 542, HB 573, HB 653, HB 659, HB 669, HB 681, HB 703, HB 742, HB 791, HB 806, HJR 52, HCR 61, HR 66,** and **HR 80** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:25 p.m.)

Recess

Representative LeMaster moved that the House recess for fifteen minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

SB 392, with Committee Amendment and Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only. Agreed by a majority of members elected.

Representative Richards moved that **SB 392** be passed.

Representative Cyrus moved the adoption of the Floor Amendment No. 1 to **SB 392.** Agreed.

Representative Richards moved that **SB 392,** as amended, be passed.

On the roll call the vote was yeas 71-Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Bruce, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Hancock, Harper, Head, Hines, Holbrook, Holloway, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Noland, Overstreet, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 8-Barrows, Cline, Guenthner, Haering, List, Meyer, Nett, Pearman.

SB 392, as amended, was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 392,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

HB 90, HB 139, HB 140, HB 156, HB 301, HB 370, HB 397, HB 450, HB 493, HB 531, HB 533, HB 536, HB 537, HB 538, HB 542, HB 573, HB 653, HB 659, HB 669, HB 681, HB 703, HB 742, HB 791, HB 806, HJR 52, HCR 61, HCR 66, HCR 80 delivered to the Senate , signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HCR 70, with Committee Amendments and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Harper moved the adoption of the Committee Amendment No. 1 to **HCR 70.** Agreed.

Representative Harper moved the adoption of the Committee Amendment No. 2 to **HCR 70.** Agreed.

Representative Harper moved the adoption of the Floor Amendment No. 1 to **HCR 70.** Agreed.

Representative Harper moved that **HCR 70,** as amended, be adopted.

HCR 70, as amended, was adopted by voice vote.

Representative Harper moved the adoption of the Floor Title Amendment to **HCR 70.** Agreed.

Representative Harper moved that the vote by which **HCR 70,** as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HR 38 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved the adoption of the Committee Amendment No. 1 to **HR 38.** Agreed.

Representative O'Brien moved the adoption of the Floor Amendment No. 1 to **HR 38.** Rejected.

Representative Guenthner moved that **HR 38,** as amended, be adopted.

HR 38, as amended, was adopted by voice vote and the title agreed to.

Representative Guenthner moved that the vote by which **HR 38,** as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 341, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **SB 341** be passed.

On the roll call the vote was yeas 81-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Freibert, Heleringer, List, Schmidt.

SB 341 was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 341** was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **HB 34, HB 617, HB 674, HB 770, HB 788, HB 330** with Senate Amendment, **HB 475** by way of Senate Committee Substitute, **HB 525** by way of Senate Committee Substitute and Senate Amendment, **HB 526** with Senate Amendment, **HB 639** with Senate Amendment, **HB 657** by way of Senate Committee Substitute and Senate Amendment, **HB 682** with Senate Amendment, and **HB 711** with Senate Amendments.

Letter requesting return of **HB 456** to the Senate.

Orders of the Day (continued)

SB 127 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clark moved that **SB 127** be passed.

On the roll call the vote was yeas 82-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan. Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, Stone, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 3-Allen, Layman, Turner.

SB 127 was passed and the title agreed to.

Representative Clark moved that the vote by which **SB 127** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 149, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 149** be passed.

Representative B. Smith moved the adoption of the Floor Amendment No. 1 to **SB 149.** Agreed.

Representative LeMaster moved that **SB 149,** as amended, be passed.

Representative Patrick moved that the rules be suspended to allow an amendment to be added.

On the roll call the vote way yeas 37-Allen, Boswell, Bruce, Burch, Burnette, Caldwell, Cline, Cowan, Dawahare, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Guenthner, Haering, Heleringer, Holloway, Layman, Lefevers, Lile, Lundergan, Maggard, McNutt, Moore, Morris, Noland, Overstreet, Patrick, Pearman, Rattliff, Robinson, Schmidt, Tobin, Todd, Turner. Nays 44-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Clark, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Harper, Head, Hines, R. Jones, Kenton, Kidd, LeMaster, List, Little, Long, McBee, Meyer, Moberly, Nett, O'Brien, Perkins, Petty, Rapier, B. Richardson, Seum, B. Smith, Stone, Stumbo, Thomason, Van Horn, Williams, Yates.

The motion that the rules be suspended to add an amendment was rejected.

On the roll call the vote was yeas 46-Allen, Arnold, Bendl, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Craddock, Crupper, Curd, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Head, Holbrook, Holloway, Layman, Lefevers, LeMaster, Long, Noland, O'Brien, Overstreet, Patrick, Rapier, Rattliff, Richards, Riner, B. Smith, Stumbo, Thomason, Todd, Turner. Nays 46-Barrows, Bennett, Blandford, Boswell, Caldwell, Clarke, Cyrus, Dawahare, Deskins, Donnermeyer, Farrow, Guenthner, Handy, Harper, Heleringer, Hines, R. Jones, T. Jones, Kenton, Kidd, Lile, List, Little, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Nett, Pearman, Perkins, Petty, Priddy, Robinson, Schmidt, Seum, F. Smith, Stone, Thomas, Tobin, Van Horn, White, Williams, Worthington, Yates.

SB 149, as amended, was defeated.

Representative LeMaster moved that **HB 456** be returned to the Senate as requested. Agreed.

SB 103, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clapp moved the adoption of the Committee Substitute to **SB 103.** Agreed.

Representative Clapp moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **SB 103.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **SB 103.** Rejected.

Representative Robinson moved the adoption of the Floor Amendment No. 4 to the Committee Substitute to **SB 103.** Agreed.

Representative Clapp moved that **SB 103,** by way of Committee Substitute as amended, be passed.

Representative Clark moved that the rules be suspended to waive the 24-hour time requirement for the filing of floor amendments.

On the roll call the vote was yeas 11-Blandford, Boswell, Burch, Dawahare, Endicott, Guenthner, Haering, Handy, Layman, Noe, Tobin. Nays 50-Allen, Arnold, Barrows, Bendl, Bennett, Blevins, Burnette, Caldwell, Clapp, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gray, Harper, Head, Hines, R. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, Meyer, Moberly, Nett, Pearman, Perkins, Petty, Rapier, Richards, P. Ricdardson, F. Smith, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Williams, Yates.

The motion that the rules be suspended to waive the 24-hour time requirement for the filing of floor amendments was rejected.

On the roll call the vote was yeas 54-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Clapp, Clark, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Fryman, Gray, Guenthner, Handy, Head, Hines, Holloway, T. Jones, Kidd, Little, Lundergan, Maggard, Mann, McBee, Noland, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 37-Allen, Barrows, Bruce, Caldwell, Clarke, Crupper, Ellington, Endicott, Farrow, Ford, Freibert, Haering, Hancock, Heleringer, Holbrook, Johnson, Layman, Lile, List, Long, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Rattliff, P. Richardson, Schmidt, Seum, Todd, Turner, Worthington.

SB 103, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Clapp moved that the vote by which **SB 103,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 279, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative List moved the adoption of the Committee Substitute to **SB 279.** Agreed.

Representative List moved that **SB 279,** by way of Committee Substitute, be passed.

Representative Blevins moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **SB 279.** Rejected.

Representative List moved the adoption of the Floor Amendment No. 3 to the Committee Substitute to **SB 279.** Agreed.

Representative List moved the adoption of the Floor Amendment No. 4 to the Committee Substitute to **SB 279.**

On the roll call the vote was yeas 49-Barrows, Bendl, Bennett, Bruce, Burch, Caldwell, Clapp, Clark, Cowan, Craddock, Curd, Deskins, Donnermeyer, Dunn, Ellington, Foster, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Hines, Holloway, Kidd, Layman, Lefevers, LeMaster, Lile, List, McBee,McNutt, Morris, Nett, Noe, O'Brien, Patrick, Pearman, Priddy, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, Thomason, Tobin, Turner, Williams. Nays 47-Allen, Arnold, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burnette, Clarke, Cline, Crupper, Cyrus, Dawahare, Farrow, Ford, Freibert, Head, Heleringer, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Little, Long, Lundergan, Maggard, Mann, Meyer, Moberly, Moore, Noland, Overstreet, Perkins, Petty, Rapier, Riner, F. Smith, Stone, Stumbo, Thomas, Todd, Van Horn, White, Worthington, Yates.

Floor Amendment No. 4 to the Committee Substitute to **SB 279** was adopted.

Representative List moved that **SB 279,** by way of Committee Substitute as amended, be passed.

Representative Noe moved the adoption of the Floor Amendment No. 8 to the Committee Substitute to **SB 279.**

On the roll call the vote was yeas 25-Arnold, Barrows, Blevins, Boswell, Brown, Cline, Crupper, Endicott, Fryman, Heleringer, T. Jones, Mann, McBee, Meyer, Moberly, Moore, Noe, Overstreet, Perkins, Rapier, Richards, F. Smith, Thomas, White, Worthington. Nays 67-Allen, Bendl, Bennett, Blandford, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Lundergan, McNutt, Morris, Nett, O'Brien, Patrick, Pearman, Petty, Priddy, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Yates.

Floor Amendment NO. 8 to the Committee Substitute to **SB 279** was rejected.

Representative List moved that **SB 279,** by way of Committee Substitute as amended, be passed.

Representative F. Smith moved that the rules be suspended to allow the floor amendment time element to be waived.

On the roll call the vote was yeas 21-Arnold, Barrows, Blevins, Cline, Dawahare, Donnermeyer, Endicott, Fryman, Heleringer, Long, Lundergan, Maggard, Mann, Meyer, Moberly, Moore, Noe, Perkins, Rapier, F. Smith, Worthington. Nays 58-Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Handy, Harper, Hines, Holbrook, Holloway, Layman, Lefevers, LeMaster, List, Little, McBee, McNutt, Morris, Nett, O'Brien, Overstreet, Patrick, Pearman, Petty, Rattliff, Richards, P. Richardson, Riner, Robinson, Seum, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Williams, Yates.

The motion that the rules be suspended to allow the floor amendment time element to be waived was rejected.

Representative List moved that **SB 279,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 64-Bendl, Bennett, Blandford, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Hines, Holbrook, Holloway, R. Jones, Kidd, Lefevers, LeMaster, Lile, List, Maggard, McBee, McNutt, Meyer, Morris, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Williams, Yates.Nays 36-Allen, Arnold, Barrows, Blevins, Boswell, Brown, Cline, Crupper, Dawahare, Endicott, Farrow, Ford, Fryman, Haering, Head, Heleringer, Johnson, T. Jones, Kenton, Layman, Little, Long, Lundergan, Mann, Moberly, Moore, Nett, Noe, Noland, Perkins, Rapier, F. Smith, Todd, Van Horn, White, Worthington.

SB 279, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative List moved that the vote by which **SB 279,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Letter received requesting return of **HB 503.**

Announcing passage of **HB 1** with Senate Amendment, **HB 483** with Senate Amendments, **HB 622** with Senate Amendment, **HB 648** with Senate Amendments, and **HB 649** with Senate Amendments.

Orders of the Day (continued)

Representative LeMaster moved that **HB 503** be returned to the Senate as requested. Agreed.

SB 243, with Committee Substitute and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of the Committee Substitute to **SB 243.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 2 to the Committee Substitute to **SB 243.** Agreed.

Representative Thomason moved the adoption of the Floor Amendment No. 19 to the Committee Substitute to **SB 243.** Agreed.

Representative Nett moved the adoption of the Floor Amendment No. 1 to the Committee Substitute to **SB 243.** Agreed.

Representative Thomason moved that **SB 243,** by way of Committee Substitute as amended, be passed.

Representative Lundergan moved the adoption of the Floor Amendment No. 10 to the Committee Substitute to **SB 243.**

On the roll call the vote was yeas 64-Arnold, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Bruce, Caldwell, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Hancock, Harper, Head, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, Lile, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, Patrick, Perkins, Petty, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, Stone, Thomason, Van Horn, White, Williams, Yates. Nays 25-Allen, Barrows, Boswell, Brown, Burch, Burnette, Clarke, Cowan, Donnermeyer, Dunn, Foster, Haering, Handy, R. Jones, LeMaster, List, O'Brien, Overstreet, Pearman, Rattliff, B. Richardson, Stumbo, Thomas, Tobin, Turner.

Floor Amendment No. 10 to the Committee Substitute to **SB 243** was adopted.

Representative Long moved the adoption of the Floor Amendment No. 6 to the Committee Substitute to **SB 243.** Agreed.

Representative Thomason moved that **SB 243,** by way of Committee Substitute as amended, be passed.

Representative Brinkley moved the adoption of the Floor Amendment No. 8 to the Committee Substitute to **SB 243.**

On the roll call the vote was yeas 55-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burnette, Crupper, Curd, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Harper, Head, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, Lefevers, Lile, Lundergan, Maggard, McBee, McNutt, Noland, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, F. Smith, Stone, Thomas, Todd, Turner, Van Horn, White, Williams. Nays 32-Barrows, Burch, Caldwell, Clarke, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Haering, Handy, Holloway, R. Jones, LeMaster, List, Little, Long, Meyer, Moberly, Morris, O'Brien, Patrick, Pearman, B. Richardson, Riner, Schmidt, Seum, Stumbo, Thomason, Yates.

Floor Amendment No. 8 to the Committee Substitute to **SB 243** was adopted.

Representative Thomason moved that **SB 243,** by way of Committee Substitute, be passed.

Representative Bruce moved the adoption of the Floor Amendment No. 5 to the Committee Substitute to **SB 243.**

On the roll call the vote was yeas 41-Allen, Blevins, Boswell, Bruce, Burnette, Crupper, Curd, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Hancock, Harper, Head, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Layman, Lefevers, Lile, Little, Lundergan, Maggard, McBee, McNutt, Moore, Morris, Noland, Overstreet, Perkins, Petty, Rapier, Rattliff, P. Richardson, Van Horn, White, Yates. Nays 48-Barrows, Bendl, Bennett, Bronger, Brown, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Foster, Guenthner, Haering, Handy, Heleringer, Johnson, Kenton, LeMaster, List, Long, Meyer, Moberly, Nett, Noe, O'Brien, Patrick, Pearman, Priddy, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Williams.

Floor Amendment No. 5 to the Committee Substitute to **SB 243** was rejected.

Representative P. Richardson moved the adoption of the Floor Amendment No. 13 to the Committee Substitute to **SB 243.** Rejected.

Representative Thomason moved that **SB 243,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 70-Allen, Arnold, Bendl, Bennett, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Foster, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Worthington, Yates. Nays 27-Barrows, Blandford, Blevins, Boswell, Bruce, Burnette, Crupper, Curd, Endicott, Farrow, Ford, Fryman, Gray, Hancock, Head, T. Jones, Layman, Lefevers, Maggard, McNutt, Moore, Overstreet, Rapier, Rattliff, P. Richardson, Van Horn, White.

SB 243, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Thomason moved that the vote by which **SB 243,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 162 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 162** be passed.

On the roll call the vote was yeas 91-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 162 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 162** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 216, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomason moved the adoption of the Committee Amendment No. 1 to **SB 216.** Agreed.

Representative Thomason moved that **SB 216,** as amended, be passed.

On the roll call the vote was yeas 90-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

SB 216, as amended, was passed and the title agreed to.

Representative Thomason moved that the vote by which **SB 216,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 248 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved that **SB 248** be passed.

On the roll call the vote was yeas 82-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Harper, Head, Heleringer, Hines, Holloway, Johnson, R. Jones, T. Jones, Kenton, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Williams, Worthington, Yates. Nays 0.

SB 248 was passed and the title agreed to.

Representative Burnette moved that the vote by which **SB 248** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 289 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **SB 289** be passed.

On the roll call the vote was yeas 84-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, Williams, Worthington, Yates. Nays 5-Maggard, Patrick, Pearman, Perkins, Turner.

SB 289 was passed and the title agreed to.

Representative Farrow moved that the vote by which **SB 289** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 372 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Petty moved that **SB 372** be passed.

On the roll call the vote was yeas 80-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 5-Brown, Burnette, Crupper, Foster, Pearman.

SB 372 was passed and the title agreed to.

Representative Petty moved that the vote by which **SB 372** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 383 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 383** be passed.

On the roll call the vote was yeas 86-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomason, Todd, Turner, Williams, Worthington, Yates. Nays 4-Haering, Pearman, Priddy, Van Horn.

SB 383 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 383** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 385 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 385** be passed.

On the roll call the vote was yeas 79-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Seum, F. Smith, Stone, Stumbo, Thomason, Van Horn, Williams, Yates. Nays 8-Fryman, Moore, Patrick, Robinson, B. Smith, Todd, Turner, White.

SB 385 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 385** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 396, with Floor Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Head moved the adoption of the Floor Amendment No. 1 to **SB 396.** Rejected.

Representative Deskins moved that **SB 396** be passed.

On the roll call the vote was yeas 57-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Ford, Foster, Freibert, Gray, Harper, Johnson, T. Jones, Kenton, Kidd, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Richards, B. Richardson, Riner, Stone, Stumbo, Thomason, Van Horn, Yates. Nays 29-Arnold, Brown, Burnette, Craddock, Crupper, Dawahare, Ellington, Farrow, Fryman, Guenthner, Haering, Hancock, Head, Heleringer, Holbrook, Holloway, Layman, Moore, Patrick, Pearman, Rapier, P. Richardson, Robinson, B. Smith, Todd, Turner, White, Williams, Worthington.

SB 396 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 396** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 397 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 397** be passed.

On the roll call the vote was yeas 73-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, B. Richardson, Riner, Seum, B. Smith, Stone, Stumbo, Van Horn, Williams, Worthington, Yates. Nays 13-Craddock, Fryman, Layman, Moore, Noland, Patrick, Pearman, P. Richardson, Robinson, Schmidt, Todd, Turner, White.

SB 397 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 397** was passed be reconsidered and said motion be placed on the table. Agreed.

Speaker Pro Tempore Thomason presiding.

SB 7, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bendl moved the adoption of the Committee Substitute to **SB 7.** Agreed.

Representative Bendl moved that **SB 7,** by way of Committee Substitute, be passed.

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Peaman, Perkins, Petty, Priddy, Rapier, Riner, Robinson, Schmidt, Seum, B. Smith, Stone. Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

SB 7, by way of Committee Substitute, was passed and the title agreed to.

Representative Bendl moved that the vote by which **SB 7,** by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 231 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved that **SB 231** be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Haering, Hancock, Handy, Harper, Heleringer, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Williams, Yates. Nays 8-Endicott, Fryman, Guenthner, Noland, Patrick, Todd, Turner, Van Horn.

SB 231 was passed and the title agreed to.

Representative Meyer moved that the vote by which **SB 231** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 256 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 256** be passed.

On the roll call the vote was yeas 63-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Hancock, Harper, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Lile, List, Little, Mann, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, Overstreet, Patrick, Pearman, Perkins, Priddy, Rattliff, P. Richardson, Riner, Robinson, Seum, F. Smith, Stumbo, Thomason, Turner, Williams, Yates. Nays 2-Haering, Van Horn.

SB 256 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 256** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 353 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved that **SB 353** be passed.

On the roll call the vote was yeas 67-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Ford, Freibert, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Lundergan, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Rapier, Rattliff, Riner, Robinson, Seum, B. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Williams, Yates. Nays 3-Farrow, Hancock, Pearman.

SB 353 was passed and the title agreed to.

Representative Kenton moved that the vote by which **SB 353** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 382, with Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of the Floor Amendment No. 1 to **SB 382.** Agreed.

Representative LeMaster moved that **SB 382,** as amended, be passed.

On the roll call the vote was yeas 72-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Foster, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Johnson, R. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomason, Todd, Van Horn, Williams, Yates. Nays 2-Caldwell, Turner.

SB 382, as amended, was passed.

Representative LeMaster moved the adoption of the Floor Title Amendment to **SB 382.** Agreed.

Representative LeMaster moved that the vote by which **SB 382,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 402, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burnette moved the adoption of the Committee Amendment No. 1 to **SB 402.** Agreed.

Representative Burnette moved that **SB 402,** as amended, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Harper, Heleringer, Hines, Holbrook, Holloway, Kidd, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 5-Ford, Fryman, Meyer, Pearman, Robinson.

SB 402, as amended, was passed and the title agreed to.

Representative Burnette moved that the vote by which **SB 402,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 273 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **SB 273** be passed.

On the roll call the vote was yeas 77-Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, Kenton, LeMaster, Lile, List, Little, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Yates. Nays 0.

SB 273 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **SB 273** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 296, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 296** be passed.

Representative Overstreet moved the adoption of the Committee Amendment No. 1 to **SB 296.** Agreed.

Representative Overstreet moved the adoption of the Committee Amendment No. 2 to **SB 296.** Agreed.

Representative Stumbo moved the adoption of the Committee Amendment No. 3 to **SB 296.** Agreed.

Representative Stumbo moved that **SB 296,** as amended, be passed.

On the roll call the vote was yeas 80-Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Maggard, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Curd, Mann.

SB 296, as amended, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 296,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 308 taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cowan moved that **SB 308** be passed.

Representative Van Horn moved that **SB 308** be laid on the table.

On the roll call the vote was yeas 50-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Clapp, Clarke, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Fryman, Guenthner, Head, Heleringer, Hines, Johnson, T. Jones, Lile, McBee, Meyer, Moore, Overstreet, Pearman, Perkins, Petty, Rapier, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Todd, Van Horn, White, Williams, Yates. Nays 28-Bruce, Caldwell, Cowan, Freibert, Gray, Haering, Hancock, Handy, Harper, Holbrook, R. Jones, Kidd, List, Little, Lundergan, Maggard, Mann, McNutt, Morris, O'Brien, Patrick, Rattliff, Richards, Riner, Robinson, Seum, Thomason, Turner.

SB 308 was laid on the table.

SB 223, with Committee Amendment and Floor Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Holbrook moved the adoption of Floor Amendment No. 1 to **SB 223.**

Representative Clapp moved that Floor Amendment No. 1 to **SB 223** be laid on the table.

On the roll call the vote was yeas 43-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Clapp, Crupper, Curd, Cyrus, Dawahare, Deskins, Dunn, Endicott, Farrow, Freibert, Fryman, Gray, Haering, Hancock, Heleringer, Johnson, Kidd, Layman, Little, Maggard, Mann, Morris, Overstreet, Patrick, Perkins, Rapier, Riner, Seum, B. Smith, Stone, Stumbo, Van Horn, White, Williams, Worthington. Nays 34-Bruce, Burch, Burnette, Caldwell, Clarke, Craddock, Ellington, Foster, Guenthner, Harper, Head, Holbrook, Holloway, R. Jones, LeMaster, Lile, Long, Lundergan, McBee, Meyer, Moberly, Noe, Noland, O'Brien, Pearman, Petty, Priddy, Rattliff, Richards, Robinson, Schmidt, Thomason, Turner, Yates.

Floor Amendment No. 1 to **SB 223** was laid on the table.

SB 82, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the Committee Amendment No. 1 to **SB 82.**

Speaker Richardson presiding.

Representative Nett moved the adoption of the Committee Amendment No. 1 to **SB 82.** Agreed.

Representative Nett moved that **SB 82,** as amended, be passed.

On the roll call the vote was yeas 77-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Johnson, R. Jones, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, Williams, Yates. Nays 17-Brinkley, Cline, Crupper, Dawahare, Farrow, Fryman, Haering, Holbrook, Holloway, Layman, McNutt, Moore, Overstreet, Patrick, Perkins, P. Richardson, Turner.

SB 82, as amended, was passed and the title agreed to.

Representative Nett moved that the vote by which **SB 82,** as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 345, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment No. 1 to **HB 345** is as follows:

Amend printed copy of **HB 345** as follows:

Page 26, by inserting the following between lines 20 and 21:

Section 22. KRS 12.025 is amended to read as follows:

(1) Recognizing the necessity for grouping certain related functions of departments and administrative bodies in order to promote greater economy, efficiency and improved administration in establishing more effective organizational patterns and also recognizing the fact that such groupings and revisions in the general organizational structure need to be made as rapidly as possible when administrative functions change and the needs of government dictate, the governor may:

(a) Establish, abolish or alter the organization of any agency or statutory administrative department, including changing the name of a department to explain more clearly the functions performed by it. Also included in this authority shall be permission to transfer functions, personnel, funds, equipment, facilities and records from one (1) department to another. Reorganization made under this section shall be set forth in an executive order, signed by the governor and filed in the office of the secretary of state, which shall explain the changes made and designate the functions, personnel, funds, equipment, facilities and records, as applicable, to be transferred. The governor shall recommend legislation to the next following session of the general assembly to confirm reorganizations effected under the provisions of this section.

(b) Appoint advisory or study committees to assist and recommend to him on problems concerning the various functions and departments of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

(2) Unless required by federal law, the governor may not effect a reorganization plan under this section that would contravene:

(a) A constitutional or statutory provision relating to any constitutional officer or to an organizational unit headed by a constitutional officer; or

(b) A constitutional or statutory provision relating to an administrative body or to an organizational unit headed by an administrative body; or

(c) A constitutional provision relating to an organizational unit.

On page 26, line 21, by changing "22" to "23"; and

On page 26, line 23, by changing "23" to "24"; and

On page 27, before line 1, by adding the following:

Section 25. Sections 2, 3, 4, 7, 8, 9, 10, 11 and 23 of this Act shall become effective January 1, 1984; and,

On page 27, line 1, by changing "24" to "26"; and,

On page 27, line 4, by inserting after "and" the phrase "Sections 1, 5, 6, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 24 of".

Representative Thomason moved that the House concur in Senate Amendment No. 1 to **HB 345.** Agreed.

Representative Thomason moved that **HB 345,** as amended by the Senate, be passed.

On the roll call the vote was yeas 71-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Brinkley, Bruce, Burch, Burnette, Clark, Clarke, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Heleringer, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Petty, Priddy, Rattliff, Richards, B. Richardson, Riner, Robinson, B. Smith, Stumbo, Thomas, Thomason, Todd, Van Horn, White, Williams, Worthington, Yates. Nays 18-Boswell, Brown, Caldwell, Craddock, Crupper, Ellington, Fryman, Haering, Holbrook, Maggard, McNutt, Pearman, Perkins, Rapier, Schmidt, F. Smith, Stone, Turner.

HB 345, as amended by the Senate, was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 345,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that consideration of all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions and Communications

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions. Agreed.

Introduction of Resolutions

HR 116, by Representatives F. Smith, Tobin, McNutt and Craddock: A RESOLUTION honoring Governor John Y. Brown, Jr., for his contribution to legislative independence.

HR 115, by Representative F. Smith: A RESOLUTION honoring Mr. Pete Flynn as Frankfort's official host for the Kentucky General Assembly.

Motions, Petitions and Communications (continued)

Representative Deskins moved that he be recorded as voting "nay" on **HB 339.** Agreed.

Representative Noe moved that he be recorded as voting "nay" on **HB 810.** Agreed.

Representative Haering moved the adoption of the following Legislative Citation No. 79:

The House of Representatives of the Commonwealth of Kentucky hereby commends the Okolona Volunteer Fire Department of Jefferson County, for your indispensable and outstanding services to your community in Fire Prevention and safety, and in protection of the public welfare. In the midst of great perils you have made supreme sacrifices, always going beyond the call of duty investing long hours and tireless efforts. The improved services resulting from your extensive training and modern equipment demonstrates your dedication and humanitarian spirit.

This prestigious body salutes you for your unselfish and sacrificial services to all mankind. (Sponsored by Representative Haering)

Agreed.

Representative Haering moved the adoption of the following Legislative Citation No. 80:

The House of Representatives of the Commonwealth of Kentucky hereby commends the Highview Volunteer Fire Department of Jefferson County, for your indispensable and outstanding services to your community in Fire Prevention and safety, and in protection of the public welfare. In the midst of the great perils, you have made supreme sacrifices, always going beyond the call of duty, investing long hours and tireless efforts. The improved services resulting from your extensive training and modern equipment demonstrates your dedication and humanitarian spirit.

This prestigious body salutes you for your unselfish and sacrificial services to all mankind. (Sponsored by Representative Haering)

Agreed.

Representative F. Smith moved that the rules be suspended to act upon a Resolution. Agreed.

Representative F. Smith moved the adoption of the following **HR 115:**

HR 115, A RESOLUTION honoring Mr. Pete Flynn as Frankfort's official host for the Kentucky General Assembly.

WHEREAS, Pete Flynn has distinguished himself throughout the years as one of Frankfort's superior businessmen and a purveyor of food and libation of the highest order; and

WHEREAS, Mr. Flynn has extended exemplary hospitality to Kentucky lawmakers from across the Commonwealth during numerous sessions of the Kentucky General Assembly; and

WHEREAS, Mr. Flynn's business establishment has come to be a home-away-from-home for Kentucky legislators, their families and staff;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Mr. Pete Flynn is hereby recognized as the official host and innkeeper for the members of the Kentucky General Assembly.

Section 2. That the Clerk of the House is directed to transmit a copy of this Resolution to Pete Flynn.

HR 115 was adopted by voice vote.

Representative Bronger moved that he be recorded as voting "yea" on **HB 803.** Agreed.

Representative Moberly moved that he be recorded as voting "yea" on **HB 179.** Agreed.

Representative Burch moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Burch moved the adoption of the following **HR 106:**

HR 106, A RESOLUTION directing a demonstration of an alternate transportation fuel system.

WHEREAS, the Congress of the United States did enact the Methane Transportation Research, Development and Demonstration Act of 1980 (15 USC 3801) and as a basis for that action did find and declare among other things that methane use in fleet-operated vehicles would result in substantial reduction in oil imports; that methane is in more abundant domestic supply than petroleum products and can be derived from reusable resources; that this resource is not fully utilized; that test results indicate that methane use as a substitute for gasoline as motor fuel can result in emission reductions; and that experience shows methane to be a safe motor fuel in properly modified vehicles and is particularly suitable as fuel for fleet vehicles, all of this as part of the Methane Act; and

WHEREAS, in this Act, the Congress did also declare as a matter of policy that the economic and technological practicalities of methane-fueled vehicle fleets should be demonstrated; that the use of methane-fueled vehicles in lieu of gasoline-powered motor vehicles should be facilitated where practicable; and that such substitution should be promoted, particularly in areas where such substitution would facilitate meeting air quality standards under the Clean Air Act; and

WHEREAS, methane is one of the several forms of fossil energy naturally abundant in Kentucky in both natural gas formations and in coal seams, and is available at many locations in the Commonwealth from local wells and from intrastate transmission systems that serve many parts of the Commonwealth as well as from intrastate gas transmission networks that traverse the state serving in-state and out-of-state users; and

WHEREAS, the Commonwealth's largest fleet of vehicles is operated by the Kentucky Department of Transportation and affords the government of Kentucky an outstanding opportunity to play a leadership role in implementing the national methane transportation demonstration policy, within the goals and objectives of the current state administration; and

WHEREAS, methane transportation fuel appears to be available at considerably lower costs than gasoline thereby affording state government an opportunity to make substantial financial savings in the operation of its vehicles;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Transportation is directed to take steps toward implementing the national methane fuel policy in the Commonwealth by arranging for a demonstration of the use of methane as a motor fuel in state-owned fleet vehicles, such demonstration to provide data as to costs, savings, conversion schedules, equipment availability, and effect on air quality.

Section 2. That such a demonstration project is found to be for a public purpose and the Secretary of the Department of Transportation is authorized to make arrangements for such a demonstration with any public, quasi-public and private agencies, and with suppliers of fuel, technology, and technical assistance in policy analysis and technological law, that are interested in implementation, and is authorized to use any resources available to his department in support of the demonstration program.

Section 3. That the Secretary of the Department of Transportation is directed to report the results of this demonstration project to the 1984 Session of the General Assembly.

HR 106 was adopted by voice vote.

Representative Van Horn moved that he be recorded as voting "yea" on **SB 393.** Agreed.

Representative Yates moved the adoption of the following Legislative Citation No. 86:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Mr. Eugene Perkins outstanding Director of the Division of Plumbing for thirty-seven years. You are known as "The Man" in Kentucky Plumbing circles. You are the successor to your father who was the distinguished founder of the State Plumbing Division. You have traveled extensively in providing growth and innovations. The highlight of your accomplishment was the enactment of the State subservice sewage disposal regulations in the planning for approximately fifteen years and finally enacted in August 1980. You served as Jefferson County Plumbing Inspector for eight years with great efficiency. Under your leadership the plumbing code became effective in all counties and cities and the growth index portrayed a beginning with six employes in 1978 to sixty-nine in 1982, and the budget began with eighteen thousand in 1950 to one million eight hundred in 1978.

We are very proud of your excellent contribution to this far-reaching industry for the Commonwealth of Kentucky in which the State Plumbing Program was self-supporting through license and permit fees. We salute you as you retire from the Department of Housing, Building and Construction, April 1, 1982 and we wish you and your family health and happiness. (Sponsored by Representative Yates)

Agreed.

Representative Blevins moved that he be recorded as voting "yea" on **SB 97,** "Yea" on **SB 327,** "yea" on Floor Amendment No. 1 to **SB 97.** Agreed.

Representative Brown moved that he be recorded as voting "nay" on **HB 296.** Agreed.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Bendl, **HB 669;** Representative Barrows, **HB 681;** Representative Freibert, **HB 779.**

Representative Farrow moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Farrow moved the adoption of the following **HR 113:**

HR 113, A RESOLUTION recognizing and honoring the Georgetown College Tiger basketball team.

WHEREAS, Georgetown College's basketball team, the Tigers, by virtue of a hard-fought season, should be recognized for the best record in 1982 of any Kentucky team, that winning record being 26 wins with only 3 losses; and

WHEREAS, senior member Rick Elrod, because of his hard work, dedication and devotion to his team, has been awarded the title of KIAC Player of the Year; and

WHEREAS, final praise should be offered to Coach Jim Reid, whose own talents and skills as coach led the Tiger team through this award-winning season, and who has earned the title of KIAC Coach of the Year;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Georgetown Tigers be honored and commended for their fine season, and spectacular record; for winning the KIAC tournament; for outstanding player Rick Elrod; and for talented Coach Jim Reid.

Section 2. That this honorable body adjourn on this day, Friday, March 26, 1982, in honor of each member of the courageous Georgetown College Tiger Team.

Section 3. That the Clerk be directed to dispatch copies of this resolution to Georgetown College, Coach Jim Reid, player Rick Elrod, and the other members of the Tiger basketball team.

HR 113 was adopted by voice vote.

Representative Farrow moved the adoption of the following Legislative Citation No. 81:

The House of Representative of the Commonwealth of Kentucky hereby congratulates Jim Reid, the excellent Coach of the Georgetown Boys' Basketball Team and your triumph as the Seasonal Conference and KIAC (Kentucky INtercollegiate Athletic Conference) Tournament Champs. Your earning the KIAC Championship, held February 18, 20, 23, 1982 at Georgetown College, with victories over Campbellsville College, Thomas Moore College and Cumberland College is most noteworthy. Your leadership and dedication in athletic endeavors have given your school and fans much enjoyment during the 1981-82 season. This honorable body applauds your excellent record 26-3 as it has bestowed honor and pride on your school, community and the Commonwealth of Kentucky. We extend our best wishes and much success in your future coaching career. (Sponsored by Representative Farrow)

Agreed.

Representative Farrow moved the adoption of the following Legislative Citation No. 82:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Rick Elrod, senior at Georgetown College, on being selected KIAC (Kentucky Intercollegiate Athletic Conference) player of the year and your brilliant basketball career with a record of 20.5 points per game totaling 1,671 points for four years, making you the fifth all-time scorer in Georgetown's history. Your 82.4 free throw and 57.1 field goal percentages are impressive. As guard you will be long remembered for your contribution to team effort. Your perseverence, athletic ability and school loyalty have thrilled basketball supporters. This prestigious body salutes you and extends best wishes for continued success in your future endeavors. (Sponsored by Representative Farrow)

Agreed.

Representative Hancock moved the adoption of the following Legislative Citation No. 73:

The House of Representatives of the Commonwealth of Kentucky hereby honors Colonel George Morgan Chinn in recognition of your contributions to the safety and defense of the United States of America and your dedicated service to the Kentucky Historical Society. You have brought honor to our Commonwealth as a true fighter for freedom, having been awarded the Legion of Merit in World War II, the Bronze Star in the Korean conflict and the Navy Meritorious Public Service Citation, the highest honor the Navy can bestow upon a retired officer. As a weaponry designer, you are making invaluable contributions to our military effort as you continue to serve as a consultant to the Naval Ordinance Station, Louisville, Kentucky. Your diversification of interest that encompasses a comprehensive knowledge and concern for history with your military expertise is exemplified in your eight published volumes of invaluable research information. This honorable body proudly recognizes you as an American Patriot, an historian of note, and an unprejudiced and sensitive human being in love with his country and all her people. (Sponsored by Representative Hancock)

Agreed.

Representative Hancock moved the adoption of the following Legislative Citation No. 82:

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Dr. and Mrs. B. T. Holmes, of Frankfort, Kentucky, on this illustrious occasion, your Golden Wedding Anniversary, April 10, 1982. God in His infinite wisdom blessed our universe with "you" the finest and most beautiful lives to be loved and cherished perpertually. Your years have been fruitful years of love sharing both joys and sorrows, and God inspiring, that make this day a grand and glorious occasion. You have willingly and unselfishly given of your time and talents, your services to God and all mankind. Your superior services and contributions in the medical and educational fields have crowned you with great honor and distinction. May your love continue to blossom into a life of beauty and your home a castle of joy and delight. May God continue to bless you with tender ties of love and happiness. May you begin together another blissful year with beautiful memories ever to behold. May love abide in your hearts forevermore. This body extends to you our very best wishes for lasting love, health and happiness. (Sponsored by Representative Hancock)

Agreed.

Representative Perkins moved that his vote be changed to "abstain" on **HB 428.** Agreed.

Representative Nett moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Nett moved the adoption of the following **HR 110:**

HR 110, A RESOLUTION commending the Kentucky Authority for Educational Television and the Kentuckiana Metroversity for their use of modern communication technology for the delivery of educational services.

WHEREAS, budget reductions in higher education have increased the problem of meeting expanding educational needs with less money available for each unit of instruction; and

WHEREAS, for many years it has been recognized, in this country and abroad, that open university systems offer an alternative to the centrally located classroom method of delivering instruction and afford a means of delivering more educational services at a lower cost per unit of services; and

WHEREAS, the Louisville region is now being wired for extensive cable communications systems by two major multi-system operators giving the region a unique capability for the delivery of educational services; and

WHEREAS, the Louisville regional educational consortium, the Kentuckiana Metroversity, is taking advantage of the availability of this communications revolution, and of instructional programs of the Kentucky Authority for Educational Television, to provide learning opportunities on two channels on a twenty-four hour basis to area students served by cable, and offering several courses, including a computer science course combining television and classroom techniques, and helping students increase their ability to become a part of the revolution in information technology;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky Authority for Educational Television, the Kentuckiana Metroversity and its member institutions, Bellarmine, Indiana University Southeast, Presbyterian Theological Seminary, Southern Baptist Theological Seminary, Spalding College, and the University of Louisville, are commended for making use of modern technologies to offer higher educational opportunities, in an open university mode, at lower costs to students.

Section 2. That this commendation be extended to include the cable television firms, CPI of Louisville, Inc. and Storer Communications of Jefferson County, Inc., for making channels available for this use, and to the professors and students who have elected to participate in this new learning system, in addition to other University of Louisville instructional programs offered in non-traditional modes as part of the university's urban mission.

Section 3. That copies of this resolution be forwarded to the chief executives of each of the organizations mentioned in this resolution.

HR 110 was adopted by voice vote.

Representative F. Smith moved that the rules be suspended to act upon a Resolution. Agreed.

Representative F. Smith moved the adoption of the following **HR 116:**

HR 116, A RESOLUTION honoring Governor John Y. Brown, Jr., for his contribution to legislative independence.

WHEREAS, in past sessions of the General Assembly of the Commonwealth of Kentucky, governors have attempted to influence the decision of the members of the General Assembly in its selection of its leadership; and

WHEREAS, in past sessions of the General Assembly of the Commonwealth of Kentucky, governors have used the power of the office of governor to influence, direct, and control decisions of the General Assembly; and

WHEREAS, Governor John Y. Brown, Jr., in his term of office as Governor of the Commonwealth of Kentucky has not involved himself in, nor controlled the business of this General Assembly;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That Governor John Y. Brown, Jr., be honored by this Body for his significant contribution to legislative independence of the General Assembly of the Commonwealth of Kentucky.

HR 116 was adopted by voice vote.

Representative Cowan moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Cowan moved the adoption of the following **HR 111:**

HR 111, A RESOLUTION recognizing the observance of the "Days of Remembrance of the Victims of the Holocaust."

WHEREAS, less than forty years ago, six million Jews were murdered in the Nazi Holocaust as part of a systematic program of genocide; and

WHEREAS, millions of people suffered as victims of Nazism; and

WHEREAS, the people of the Commonwealth of Kentucky will always remember the atrocities committed by the Nazis and pray that such horrors will never be repeated; and

WHEREAS, the citizens of the Commonwealth should continually rededicate themselves to the principle of equal justice for all people; and

WHEREAS, the citizens of the Commonwealth should remain eternally vigilant against all tyranny, and recognize that bigotry provides a breeding ground for tyranny to flourish; and

WHEREAS, April 18-25, 1982 has been designated pursuant to an Act of Congress and internationally as a Day of Remembrance of Victims of the Nazi Holocaust, known as Yom Hashoah; and

WHEREAS, it is appropriate for the people of the Commonwealth of Kentucky to join in this international commemoration;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House proclaims April 18-25, 1982, to be "Days of Remembrance of the Victims of the Holocaust" throughout the Commonwealth.

Section 2. That in memory of the victims of the Holocaust, it is our sincere hope that the people of the Commonwealth will always strive to overcome prejudice and inhumanity through education, vigilance and resistance.

HR 111 was adopted by voice vote.

Representative Handy moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Handy moved the adoption of the following **HR 76:**

HR 76, A RESOLUTION recognizing the service performed by the University of Kentucky Community College System through its faculty and staff, and expressing a reaffirmation of commitment to the role of the University of Kentucky Community College System to higher education, as mandated in the legislative acts of 1962.

WHEREAS, the University of Kentucky Community College System was created by legislative acts in 1962 with responsibilities for providing two-year technical programs, the first two years of university education and community education; and

WHEREAS, the University of Kentucky Community College System has designed a structure in which the teaching faculty and staff are responsible and accountable for teaching, advising, community service/continuing education and professional activities to assure quality education for Kentucky residents; and

WHEREAS, the faculty and staff of the University of Kentucky Community College System have consistently provided quality education in the aforementioned areas, and have responded to the needs of their communities, and

WHEREAS, the University of Kentucky Community College System, in its present structure, continues to answer the needs of higher education in the state of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the University of Kentucky Community College System and its faculty and staff are recognized for dedication and commitment in fulfilling the legislative responsibilities assigned, and that the role of the University of Kentucky Community College System, as outlined in the original legislative acts, is reaffirmed.

Section 2. That a copy of this resolution be forwarded by the clerk to the President of the University of Kentucky and the Vice-President for the Community College System.

HR 76 was adopted by voice vote.

Representative Nett moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Nett moved the adoption of the following **HR 108:**

HR 108, A RESOLUTION encouraging a demonstration project in coal refuse clean-up.

WHEREAS, the refuse from coal mining and preparation continues to create safety and environmental problems affecting people, land, water and air—problems that are likely to increase with increasing reliance on coal as a primary source of energy; and

WHEREAS, the failure to eliminate these problems also represents an enormous waste of natural resources estimated at 400 million tons of coal in the United States with tens of millions of tons being added each year; and

WHEREAS, there are available now technologies that have the potential to address these problems in a manner that is consistent with state policies governing conservation of natural resources and the protection of air and water quality, and appear to be economical and otherwise feasible;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department for Natural Resources and Environmental Protection is directed to explore the feasibility of a demonstration project involving new techniques for the reduction and elimination of coal refuse streams and impoundments, for the clean-up of black water from coal handling operations, and for the utilization of the products of such operations, and, if practical, to implement such a project.

Section 2. That the Department for Natural Resources and Environmental Protection is hereby authorized to utilize public resources at its disposal and to enter into agreements with public and private institutions for the purposes of such a demonstration project.

Section 3. That the Department for Natural Resources and Environmental Protection shall report to the Legislative Research Commission on the status of this project on July 1, 1983, and again on October 1, 1983.

HR 108 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to introduce a Resolution. Agreed.

Introduction of Resolution

HR 117, by Representatives B. Smith, Riner, Clark, Johnson, Seum, Ellington, and Foster: A RESOLUTION adjourning in honor of Dr. Bailey E. Smith.

Motions, Petitions and Communications (continued)

The following Floor Amendments were filed to Bills and Resolutions:

Floor Amendment No. 3 to **SB 54,** by Representative Holloway:

Amend printed copy of **SB 54,** on page 2, after line 20, by adding the following sections:

Section 2. KRS 344.450 is amended to read as follows:

Any person deeming himself injured by any act in violation of the provisions of this chapter shall have a civil cause of action in circuit court to enjoin further violations, and to recover the actual damages sustained by him, together with the costs of the law suit, including a reasonable fee for his attorney of record, all of which shall be in addition to any other remedies contained in this chapter*, provided, however, that such action must be commenced within one hundred and eighty (180) days after the alleged unlawful practice occurred.*

Floor Title Amendment No. 1 to Committee Substitute to **SB 103,** by Representative Clark:

Amend printed copy of Committee Substitute to **SB 103,** on page 1, title, by deleting "state".

Floor Title Amendment No. 2 to **SB 103,** by Representative Clark:

Amend printed copy of **SB 103** on page 1, title, by deleting "state".

Floor Amendment No. 6 to **SB 103,** by Representative Clark:

Amend printed copy of **SB 103,** on page 23, after line 18, by adding the following:

"Section 12. KRS 16.505 is amended to read as follows:
As used in KRS 16.510 to 16.652, unless the context otherwise requires:
(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;
(2) "Board" means the board of trustees of the Kentucky retirement systems;
(3) "Employer" or "state police" means the bureau of state police, or its successor;
(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;
(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;
(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

(9) *(a)* "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(b) In the case of members of the county employes retirement system covered by this subsection, "final compensation" at any time means the creditable compensation of a member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such three (3) year period multiplied by twelve (12); such three (3) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;

(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system or a member of the county employes retirement system covered by this section with twenty-five (25) or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. Members of the Kentucky employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

Section 13. KRS 16.577 is amended to read as follows:

(1) Upon retirement at early retirement date, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date, with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced to reflect the earlier commencement of benefits.

(2) Members of the county employes retirement system covered by this section who have completed *twenty (20)* [~~twenty-five (25)~~] years of service shall not have their allowance for early retirement reduced to reflect earlier commencement of benefits.

Section14. KRS 61.702 is amended to read as follows:

(1) The board of trustees of Kentucky retirement systems shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the Kentucky employes retirement system, county employes retirement system and state police retirement system. The board may authorize present and future recipients of a retirement allowance from any of the three (3) retirement systems, who are under age sixty-five (65), to be included in the state employes group for hospital and medical insurance and shall provide benefits for recipients equal to those provided to state employes having the same medicare hospital and medical insurance eligibility status.

(2) Each employer participating in the state police retirement system as provided for in KRS 16.510 to 16.652, and each employer participating in the county employes retirement system as provided in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute to the Kentucky retirement systems insurance fund the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of each respective employer contribution rate to each respective retirement system determined under KRS 61.565.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund for all recipients of a retirement allowance from any of the three (3) retirement systems where such recipient is a retired former member of one (1) or more of the three (3) retirement systems (not a beneficiary or dependent child receiving benefits) and had two hundred and forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service but have at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred twenty (120) months of service but have at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance or by another method. Notwithstanding the foregoing provisions of this subsection, a state police retirement system member or a hazardous position employe, as defined in KRS 61.592, who becomes disabled in line of duty, as defined in KRS 16.505(20), shall have his premium paid in full as if he had two hundred forty (240) months or more of service. "Months of service" as used in this section shall mean the total months of combined service used to determine benefits under any or all of the three (3) retirement systems except service added to determine disability benefits shall not be counted as "months of service."

(4) Group rates under the hospital and medical insurance plan shall be made available to the spouse and dependents of a recipient who was a former member of one (1) or more of the three (3) retirement systems, and to the beneficiary where such beneficiary is receiving a retirement allowance, provided the premium for the spouse, dependent or beneficiary hospital and medical insurance is paid by payroll deduction from such retirement allowance or by another method. The other provisions of this section notwithstanding, the insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient who was a member of the general assembly, *of the Kentucky employes' retirement system and determined to be in a hazardous position, of the county employes' retirement system and determined to be in a hazardous position or of the state police retirement system,* or the beneficiary of such a member, as the fund pays or paid for the member.

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.

On page 23, line 19, by deleting "12" and inserting "15" in lieu thereof; and

On page 23, line 26, by deleting "13" and inserting "16" in lieu thereof.

Floor Amendment No. 7 to Committee Substitute to **SB 103**, by Representative Clark:

Amend printed copy of Committee Substitute to **SB 103**, on page 26, after line 22, by inserting the following:

Section 14. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;

(2) "Board" means the board of trustees of the Kentucky retirement systems;

(3) "Employer" or "state police" means the bureau of state police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;

(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

(9) *(a)* "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(b) In the case of members of the county employes retirement system covered by this subsection, "final compensation" at any time means the creditable compensation of a member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such three (3) year period multiplied by twelve (12); such three (3) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;

(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system or a member of the county employes retirement system covered by this section with twenty-five (25) or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. Members of the Kentucky employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

Section 15. KRS 16.577 is amended to read as follows:

(1) Upon retirement at early retirement date, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date, with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced to reflect the earlier commencement of benefits.

(2) Members of the county employes retirement system covered by this section who have completed *twenty (20)* [~~twenty-five (25)~~] years of service shall not have their allowance for early retirement reduced to reflect earlier commencement of benefits.

Section 16. KRS 61.702 is amended to read as follows:

(1) The board of trustees of Kentucky retirement systems shall arrange by appropriate contract or on a self insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the Kentucky employes retirement system, county employes retirement system and state police retirement system. The board may authorize present and future recipients of a retirement allowance from any of the three (3) retirement systems, who are under age sixty-five (65), to be included in the state employes group for hospital and medical insurance and shall provide benefits for recipients equal to those provided to state employes having the same medicare hospital and medical insurance eligibility status.

(2) Each employer participating in the state police retirement system as provided for in KRS 16.510 to 16.652, and each employer participating in the county employes retirement system as provided in KRS 78.510 to 78.852 and each employer participating in the Kentucky employes retirement system as provided for in KRS 61.510 to 61.692 shall contribute to the Kentucky retirement systems insurance fund the amount necessary to provide hospital and medical insurance as provided for under this section. Such employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of each respective employer contribution rate to each respective retirement system determined under KRS 61.565.

(3) The premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund for all recipients of a retirement allowance from any of the three (3) retirement systems where such recipient is a retired former member of one (1) or more of the three (3) retirement systems (not a beneficiary or dependent child receiving benefits) and had two hundred and forty (240) months or more of service upon retirement. Should such recipient have less than two hundred forty (240) months of service but have at least one hundred eighty (180) months of service, seventy-five percent (75%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining twenty-five percent (25%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred eighty (180) months of service but have at least one hundred twenty (120) months of service, fifty percent (50%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining fifty percent (50%) by payroll deduction from his retirement allowance or by another method. Should such recipient have less than one hundred twenty (120) months of service but have at least forty-eight (48) months of service, twenty-five percent (25%) of such premium shall be paid from the insurance fund provided such recipient agrees to pay the remaining seventy-five percent (75%) by payroll deduction from his retirement allowance or by another method. Notwithstanding the foregoing provisions of this subsection, a state police retirement system member or a hazardous position employe, as defined in KRS 61.592, who becomes disabled in line of duty, as defined in KRS 16.505(20), shall have his premium paid in full as if he had two hundred forty (240) months or more of service. "Months of service" as used

in this section shall mean the total months of combined service used to determine benefits under any or all of the three (3) retirement systems except service added to determine disability benefits shall not be counted as "months of service."

(4) Group rates under the hospital and medical insurance plan shall be made available to the spouse and dependents of a recipient who was a former member of one (1) or more of the three (3) retirement systems, and to the beneficiary where such beneficiary is receiving a retirement allowance, provided the premium for the spouse, dependent or beneficiary hospital and medical insurance is paid by payroll deduction from such retirement allowance or by another method. The other provisions of this section notwithstanding, the insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient who was a member of the general assembly, *of the Kentucky employes' retirement system and determined to be in a hazardous position, of the county employes' retirement system and determined to be in a hazardous position or of the state police retirement system,* or the beneficiary of such a member, as the fund pays or paid for the member.

(5) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.

On page 26, line 23, by deleting "14" and inserting "17" in lieu thereof; and

On page 27, line 4, by deleting "15" and inserting "18" in lieu thereof.

Floor Amendment No. 8 to **SB 103,** by Representative Brown:

Amend printed copy of **SB 103,** page 24, after line 1, by adding the following:

SECTION 14. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

Any legislator who is vested in the legislative retirement system and has served at least one term as a county judge not more than five years prior to becoming a member of the legislature may purchase one term as county judge toward retirement.

Floor Title Amendment to **SB 149,** by Representative Bruce:

Amend printed copy of **SB 149,** page 1, by changing the title to read as follows: "AN ACT relating to motor vehicles."

Floor Amendment No. 4 to **SB 149,** by Representative Morris:

SECTION 3. KRS CHAPTER 189A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) No person under the influence of an intoxicating beverage or other chemical substance which may impair one's driving ability shall operate a vehicle that is not a motor vehicle anywhere in this state.

(2) No person shall operate a motor vehicle anywhere in this state while under the influence of an intoxicating beverage or other chemical substance which may impair one's driving ability.

(3) No peace officer or state police officer shall fail to enforce rigidly this section.

(4) In any criminal prosecution for a violation of subsections (1) and (2) of this section, wherein the defendant is charged with having operated a vehicle while under the influence of an intoxicating beverage, the amount of alcohol in the defendant's blood as determined at the time of making a chemical or electronic analysis of his blood, urine, breath or other bodily substance, shall give rise to the following presumptions:

(a) If there was 0.05 percent (5/100%) or less by weight of alcohol in such blood, it shall be presumed that the defendant was not under the influence of intoxicating beverages;

(b) If there was more than 0.05 percent (5/100%), but less than 0.10 percent (1/10%) by weight of alcohol in such blood, such fact shall not constitute a presumption that the defendant either was or was not under the influence of intoxicating beverages, but such fact may be considered, together with other competent evidence, in determining the guilt or innocence of the defendant;

(c) If there was 0.10 percent (1/10%) or more by weight of alcohol in such blood, it shall be presumed that the defendant was under the influence of intoxicating beverages.

(5) The provisions of subsection (4) of this section shall not be construed as limiting the introduction of any other competent evidence bearing upon the question of whether the defendant was under the influence of intoxicating beverages.

(6) No person may be compelled to submit to any test specified in subsection (4) of this section, but his refusal to submit to such test shall result in a license revocation hearing as provided in KRS 186.565(3).

(7) Only a physician, registered nurse or qualified medical technician, duly licensed in Kentucky, acting at the request of the arresting officer can withdraw any blood of any person submitting to a chemical test under this section or KRS 186.565.

(8) The person tested shall be permitted to have a duly licensed physician of his own choosing and at his own expense within reasonable proximity to the location of the arrest administer chemical or electronic tests in addition to the tests administered at the direction of the police officer.

SECTION 4. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

(1) No court shall impose sentence for conviction of an offense under subsections (1) or (2) of Section 1 of this Act without first reviewing and considering the complete driving history record of the offender.

(2) The complete driving history record shall be prepared by the department of transportation and presented to the sentencing court upon its written request. The report shall include an analysis of the defendant's history of motor vehicular violations or any other information ordered by the court provided it is available to the department of transportation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

(1) Any person convicted for the first violation of subsections (1) or (2) of Section 1 of this Act shall be punished by imprisonment in the county jail for not less than two (2) days and not more than ten (10) days and shall be punished by a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Two (2) days of the sentence of imprisonment imposed and one hundred dollars ($100) of the fine imposed shall not be probated by the court.

(2) The court shall have the authority to order that a person so convicted be allowed to retain his operator's license on the condition that that person:

(a) Enroll, attend, and complete such driver's education program as the department of transportation shall require subject to a six (6) month revocation of said operator's license by the department should said person fail to satisfactorily complete the program; or

(b) Report to a facility designated by the secretary of the department for human resources for participation in a non-residential alcohol and/or drug treatment and/or education program approved by the department for human resources for a period of not more than ninety (90) days; successfully participate and successfully complete, including paying the costs of, the treatment and/or education program.

(3) In addition to the foregoing, the court may in passing sentence order the revocation of the offender's motor vehicle license for a period of sixty (60) days. In such event, the holder of the license shall immediately surrender the license to the court for transmittal to the department of transportation.

SECTION 6. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

If any person is convicted of a violation of subsections (1) and (2) of Section 1 of this Act and the offense occurred within five (5) years of a prior offense which resulted in conviction of a violation of subsections (1) or (2) of Section 1 of this Act or of a law of any other state, territory or possession of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico, substantially conforming to subsections (1) or (2) of Section 1 of this Act, that person shall be punished by imprisonment in the county jail for not less than ten (10) days nor more than ninety (90) days, and by a fine of not less than two hundred and fifty dollars ($250) nor more than seven hundred and fifty dollars ($750). Ten (10) days of the sentence of imprisonment imposed shall not be probated by the court.

SECTION 7. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

Any person who is convicted of a violation of Sections 1 or 2 of this Act and has been convicted of two (2) or more prior convictions of Sections 1 or 2 of this Act or of a law of any other state, territory or possession of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico, substantially conforming to subsections (1) or (2) of Section 1 of this Act within the last five (5) years preceding the last conviction, shall be punished by imprisonment in the county jail for not less than thirty (30) days nor more than one (1) year and by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000). Thirty (30) days of the sentence of imprisonment imposed shall not be probated by the court.

SECTION 8. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

The court may order any person punished by imprisonment pursuant to a violation under this Act to be imprisoned on days other than days of regular employment of the person, as determined by the court.

SECTION 9. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

The court shall notify the department of transportation of the final disposition of convictions on any charge made in that court for a violation of subsections (1) or (2) of Section 1 of this Act, including any charges which result in conviction or conviction of a lesser included offense for purposes of inclusion in the driver's driving history record. This applies explicitly to convictions for public intoxication or other offenses involving the use of alcohol or drugs and involves the use of a motor vehicle.

SECTION 10. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

If the department for human resources or its designated agent notifies the court that any person has failed at any time to participate successfully in the treatment program required in this Act and the court determines that such failure has occurred and that the offender has violated any condition of probation, the court shall proceed under either or both of the following provisions:

(a) Impose any remaining days of confinement from the original sentence; or

(b) Order revocation of said person's operator's license for six (6) months.

SECTION 11. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

(1) From any fine imposed for the conviction of any offense pursuant to this Act, ten dollars ($10.00) shall be credited to a special account within the general fund and shall be used exclusively by the department for human resources for the purpose of administering the treatment and/or education program described in Section 3 of this Act.

(2) From any fine for the conviction of any offense pursuant to this Act, five dollars ($5.00) shall be credited to a special account within the road (transportation) fund and shall be used by the department of transportation for maintaining for and providing to the courts a complete driving history record on each licensed individual.

(3) From any fine imposed for the conviction of any offense pursuant to this Act, ten dollars ($10.00) shall be credited to a special fund within the general fund and shall be used exclusively by the department of justice, bureau of state police, for the purpose of purchasing and maintaining equipment necessary to conduct chemical or electronic tests of blood, breath, urine, or saliva for the purpose of determining blood alcoholic content.

SECTION 12. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

When an allegation of a violation of subsections (1) or (2) of Section 1 is dismissed by the court, an allegation of a different or lesser offense is substituted for an allegation of a violation of subsections (1) or (2) of Section 1, or an allegation of a prior conviction is dismissed or stricken, the court shall specify on the record its reason or reasons for the order. The court shall also specify on the record whether the dismissal, substitution, or striking was requested by the prosecution and whether the prosecution concurred in or opposed the dismissal, substitution, or striking.

SECTION 13. A NEW SECTION OF KRS CHAPTER 189A IS CREATED TO READ AS FOLLOWS:

Any peace officer who violates subsection (3) of Section 1 of this Act shall be fined not less than forty dollars ($40.00) nor more than one hundred dollars ($100).

SECTION 14. A NEW SECTION OF KRS 186 IS CREATED TO READ AS FOLLOWS:

Any person convicted for violation of KRS 186.620(2) shall be punished as follows:

(a) Upon a first conviction, by imprisonment in the county jail for not less than ten (10) days nor more than ninety (90) days and by fine of not less than two hundred and fifty dollars ($250) nor more than seven hundred and fifty dollars ($750). Ten (10) days of the sentence of imprisonment imposed shall not be probated by the court.

(b) Upon a second or any subsequent conviction within five (5) years of a prior conviction, by imprisonment in the county jail for not less than thirty (30) days nor more than one (1) year and by fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000). Thirty (30) days of the sentence of imprisonment imposed shall not be probated by the court.

SECTION 15. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) Upon receipt of notice from the court of a first conviction under subsections (1) or (2) of Section 1 of this Act and notice of a court ordered revocation of operator's license, the department of transportation shall forthwith revoke the license of any operator of a motor vehicle for a period of sixty (60) days.

(2) Upon receipt of notice from the court of a conviction under subsections (1) or (2) of Section 1 of this Act which occurred within five (5) years of a previous conviction under KRS 189.520(2) or under subsections (1) or (2) of Section 1 of this Act, the department of transportation shall forthwith revoke the license of any operator of a motor vehicle for a period of six (6) months.

(3) Upon receipt of notice from the court of a conviction under subsections (1) or (2) of Section 1 of this Act which occurred within five (5) years of more than one (1) previous conviction under KRS

189.520(2) or under subsections (1) or (2) of Section 1 of this Act, the department of transportation shall forthwith revoke the license of any operator of a motor vehicle for a period of one (1) year.

Section 16. KRS 186.010 is amended to read as follows:

(1) "Department" as used in KRS 186.400 to *186.649* [~~186.640~~] means the department of transportation; except as specifically designated, "department" as used in KRS 186.020 to 186.270 means the department of transportation only with respect to motor vehicles, other than commercial vehicles; "department" as used in KRS 186.020 to 186.270 means the bureau of vehicle regulation when used with respect to commercial vehicles.

(2) "Highway" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for the purpose of vehicular traffic.

(3) "Manufacturer" means any person engaged in manufacturing motor vehicles who will, under normal conditions during the year, manufacture or assemble at least ten (10) new motor vehicles.

(4) "Motor vehicle," means in KRS 186.020 to 186.260, all vehicles, as defined in paragraph (a) of subsection (8) of this section, which are propelled otherwise than by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as defined in paragraph (b) of subsection (8) of this section, which are self-propelled. Motor vehicle shall not include a moped as defined in this section.

(5) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(6) "Operator" means any person in actual control of a motor vehicle upon a highway.

(7) "Owner" means a person who holds the legal title of a vehicle. If a vehicle is the subject of an agreement for the conditional sale or lease, with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, the conditional vendee or lessee or mortgagor shall be deemed the owner.

(8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the transportation of persons or property over or upon the public highways of this commonwealth and all vehicles passing over or upon said highways, excepting road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails, and such vehicles as are propelled by electric power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the city limit of any municipality.

(b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human and animal power or used exclusively upon stationary rails or tracks, or which derives its power from overhead wires.

(9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640 apply to operator's licenses.

(10) "Dealer" means any person engaging in the business of buying or selling motor vehicles.

(11) "Commercial vehicles" means all motor vehicles that are required to be registered under the terms of KRS 186.050, but not including vehicles primarily designed for carrying passengers and having provisions for not more than nine (9) passengers (including driver), motorcycles, side car attachments and motor vehicles registered under KRS 186.060.

Section 17. KRS 186.550 is amended to read as follows:

(1) The clerk of any court having jurisdiction over offenses committed under motor vehicle laws shall report upon a form furnished by the department the conviction, pleas or forfeiture of bond arising under motor vehicle laws, to the department within fifteen (15) days.

(2) The court shall take up the motor vehicle operator's license certificate of a person convicted of any of the offenses for which mandatory revocation is provided by KRS 186.560 and have it immediately forwarded to the department with the report covering the conviction.

(3) The clerk of any court having jurisdiction over offenses committed under motor vehicle laws shall report to the department within fifteen (15) days after any conviction subsequent to any arrest for violation of Section 1 of this Act. The department shall include such charges with the disposition of each case on the individual's driving history record noting that the original charge was a violation of Section 1 of this Act.

Section 18. KRS 186.560 is amended read as follows:

(1) The department shall forthwith revoke the license of any operator of a motor vehicle upon receiving record of his conviction of any of the following offenses:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) [~~Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs.~~

~~(c)~~] Perjury or the making of a false affidavit under KRS 186.400 to 186.640 or any law requiring the registration of motor vehicles or regulating their operation on highways.

(c)[~~(d)~~] Any felony in the commission of which a motor vehicle is used.

(d)[~~(e)~~] Conviction or forfeiture of bail upon three (3) charges of reckless driving within the preceding twelve (12) months.

(e)[~~(f)~~] Conviction of driving a motor vehicle involved in an accident and failing to stop and disclose his identity at the scene of the accident.

(f)[~~(g)~~] Conviction of theft of a motor vehicle or any of its parts, including the conviction of any person under the age of eighteen (18) years.

(2) If the person convicted of any offense named in subsection (1) is not the holder of a license, the department shall deny the person so convicted a license for the same period of time as though he had possessed a license which had been revoked. If through an inadvertence the defendant should be issued a license, the department shall forthwith cancel it.

(3) The department upon receiving a record of the conviction of any person upon a charge of operating a motor vehicle while the license of that person is denied or suspended, or revoked, or while his privilege to operate a motor vehicle is withdrawn, shall immediately extend the period of the first denial, suspension, revocation or withdrawal for an additional like period.

(4) The revocation or denial of a license or the withdrawal of the privilege of operating a motor vehicle under this section shall be for a period of six (6) months, except that, if the same person has had one (1) previous conviction of any offense enumerated in subsection (1) of this section, regardless of whether the person's license was revoked because of the previous conviction, the period of the revocation, denial or withdrawal shall be one (1) year; if the person has had more than one (1) previous conviction of the offenses considered collectively as enumerated in subsection (1) of this section, regardless of whether the person's license was revoked for any previous conviction, the period of revocation, denial or withdrawal shall be for not less than two (2) years. [~~Provided, however, the department, upon receipt of the written recommendation of the court in which any person has been convicted of violating KRS 189.520 (2), who has had no previous conviction of said offense, that said person's operator's license shall not be revoked, restricts said person's operator's license according to such terms and conditions as the secretary in his discretion may require, provided said person has enrolled in such driver's education program as the department shall require. In the event said person fails to satisfactorily complete said driver's education program or violates the restrictions on his operator's license, the department shall forthwith revoke said operator's license for a period of six (6) months.~~]

Section 19. KRS 186.565 is amended to read as follows:

(1) Any person who operates a motor vehicle in this state is deemed to have given his consent to [~~a~~] chemical *or electronic tests* [~~test~~] of his blood, breath, urine or saliva for the purpose of determining the alcoholic content of his blood, *or the presence of any chemical substance which may impair his driving ability,* if arrested for any offense arising out of acts alleged to have been committed while the person was driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages *or impairing chemical substances.* The test shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages *or impairing chemical substances.* The law enforcement agency by which the officer is employed shall designate which of the aforesaid tests shall be administered, and provide necessary equipment. The state shall provide one (1) breathalizer and simulating unit for each county, paid for by state funds.

(2) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal is deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.

(3) If a person under arrest refuses upon the request of a law enforcement officer to submit to a chemical *or electronic* test designated by the law enforcement agency as provided in subsection (1) of this section, the requesting officer shall warn the person of the effect of his refusal to submit to the test. If the person again refuses, none shall be given, but the department of transportation, upon the receipt of a sworn report of the law enforcement officer that he had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages *or impairing chemical substances*, that the person refused to submit to the test upon the request of the law enforcement officer, and that the person again refused to submit to the test after the law enforcement officer warned him of the effect of his refusal, the department shall immediately serve notice upon said person in writing by mailing the notice to the person by certified mail to the last known residence address of the person or if the address is unknown, to the last known business address of the person to appear before the secretary or his duly authorized agent and show cause why his license to operate a motor vehicle, or if said person is a nonresident his privilege to operate a motor vehicle within this state should not be revoked;

or if the person is a resident without a license or permit to operate a motor vehicle in this state why that person should not be denied the issuance of a license or permit. The hearing shall be scheduled as early as practical but not sooner than ten (10) days after the issuance of the notice and at a time and place designated by the secretary.

(4) For the purpose of the hearing, held in accordance with the order to show cause, the secretary may appoint an examiner who shall have the power to preside at the hearing. Upon the hearing the secretary or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the licensee. The scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages *or impairing chemical substances*, whether the person was placed under arrest, and whether he refused to submit to the test upon request of the officer. All testimony at the hearing shall be recorded. The secretary's ruling shall include a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue. The secretary within ten days after the completion of the hearing shall order either: that the person's license to operate a motor vehicle, or, if the person is a nonresident, his privilege to operate a motor vehicle within this state be revoked for a period of not more than six months or if the person is a resident without such license that there should be a denial of issuance of a license for a period of not more than six months; or that no action be taken regarding said person's privilege to operate a motor vehicle. The secretary shall immediately notify the person of his ruling in writing by certified mail. If the person shall fail to attend the show cause hearing without good cause shown the secretary shall forthwith revoke the person's license or privilege to operate a motor vehicle or deny issuance of a permit or operator's license.

(5) If the revocation or determination that there should be a denial of issuance is sustained after the hearing, the person whose license or permit to drive or nonresident operating privilege has been revoked, or to whom a license or permit is denied, under the provisions of this section, may file a petition in the circuit court of the county in which the person resides or in the circuit court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the secretary within twenty (20) days after the final order has been issued. The perfected appeal suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected. The department of transportation shall file with its answer a copy of the secretary's ruling and a transcript of evidence. The court's review is limited to whether the secretary's ruling is supported by substantial evidence and whether his action is arbitrary or capricious. An appeal to the Court of Appeals suspends the order of revocation pending a final determination of the review. If the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the appeal was perfected.

(6) When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he has a license. The provisions of this section shall not apply to a person who refuses to submit to a chemical test of his blood, breath, urine or saliva if that person has enrolled in a driver's education program under the terms and conditions of *Section 3 of this Act* [~~KRS 186.560(4)~~] and rules and regulations adopted thereunder.

(7) Any person who has had no previous conviction for violation of KRS 189.520 and who has refused to submit to a chemical test of his blood, breath, urine, or saliva may apply to a district court of competent jurisdiction for permission to enter a driver's education program as provided pursuant to *Section 3 of this Act* [~~KRS 186.560~~]. If he is permitted by the court to enter the program he shall be subject to the same terms and conditions as any other person entering the program. The department shall suspend the license for six (6) months of any person participating in such program if he fails to satisfactorily complete such driver's education program.

Section 20. KRS 186.642 is amended to read as follows:

An habitual violator shall be construed to mean any person, resident or nonresident, who has been convicted in this state or elsewhere:

(1) Three (3) or more times of voluntary or involuntary manslaughter occurring on separate dates and resulting from the operation of a motor vehicle; or

(2) Three (3) or more times of violating the provisions of KRS *Chapters* [~~Chapter~~] 189 *or 189A* relating to the operation of vehicles while under the influence of a *chemical* [~~controlled~~] substance or intoxicating liquors, or violating the law of any other state, or a valid municipal or county ordinance, substantially conforming to or paralleling said section; or

(3) Three (3) or more times of operating a vehicle, after forfeiture of his operator's or chauffeur's license, and during the time for which he is deprived of his right so to do, under the provisions of any law

of this state, or of any other state, or a valid municipal or county ordinance, substantially conforming to or paralleling the laws of Kentucky; or

(4) Three (3) or more times of perjury or the making of three (3) or more false affidavits or any combination of three (3) of these offenses to the department of transportation or under any other law of the state requiring the registration of motor vehicles or regulating their operation on highways, or the making of a false statement to the department on any application for an operator's or chauffeur's license; or

(5) Three (3) or more times of any crime punishable as a felony under the motor vehicles and traffic laws of Kentucky or any other felony in the commission of which a motor vehicle is used; or

(6) Three (3) or more times of failure to stop and disclose his identity at the scene of the accident, on the part of a driver of a motor vehicle involved in an accident resulting in damage to property of another in excess of two hundred dollars ($200); or

(7) Three (3) or more times of failure to stop and disclose his identity at the scene of the accident, on the part of a driver of a motor vehicle involved in an accident resulting in the death of, or injury to, another person; or

(8) Three (3) or more times, singularly or in combination, of any of the offenses hereinabove described in subsections (1) through (7) of this section; or

(9) Fifteen (15) or more times of moving traffic offenses, excluding speeding in other states and excluding offenses wherein the defendant or violator has not been convicted of operating his vehicle more than ten (10) miles per hour in excess of the applicable speed limit, which offenses have been committed during separate and unrelated incidents, including those covered in subsections (1) through (8) of this section, or in the law of any other state, or in a valid municipal or county ordinance, substantially conforming to or paralleling a similar law of Kentucky, which offenses are required to be reported to the department of transportation, and the commission of which offenses, singularly or in combination with any other offense or offenses, statutorily requires the suspension or revocation of the license or privilege to operate motor vehicles by the department, or the commission of which offenses singly or in combination with any other offense or offenses, authorizes a court to impose such suspension or revocation for a period of more than, or less than, one (1) year.

Section 21. KRS 189.590 is amended to read as follows:

(1) In all cases where there is a death resulting from a motor vehicular accident, the coroner shall conduct an examination in order to determine if there are any substances in the victim's body which would impair his ability to operate a motor vehicle and the amount of any substance if found.

(2) Every coroner or other official performing a coroner's functions shall, on or before the tenth (10th) day of each month, report in writing to the state police the death of any person occurring within his county during the preceding calendar month as the result of an accident involving a motor vehicle, and the circumstances of the accident.

Section 22. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, [~~subsection (1) of KRS 189.520,~~] KRS 189.540, subsection (1) of KRS 189.560, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456 and 189.960, shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars ($20.00) nor more than two thousand dollars ($2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (4) of KRS 189.390 shall be fined not less than eleven dollars ($11.00) nor more than thirty dollars ($30.00). Neither court costs nor fees shall be taxed against any person convicted of violating paragraph (c) of subsection (4) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270 or 189.271 shall, upon conviction, be fined in an amount equal to two cents (2¢) per pound for each pound of excess load when the excess is two thousand (2,000) pounds or less, three cents (3¢) per pound when the excess exceeds two thousand (2,000) pounds and is three thousand (3,000) pounds or less, five cents (5¢) per pound when the excess exceeds three thousand (3,000) pounds and is four thousand (4,000) pounds or less, seven cents (7¢) per pound when the excess exceeds four thousand (4,000) pounds and is five thousand (5,000) pounds or less, and nine cents (9¢) per pound when the excess exceeds five thousand (5,000) pounds but in no case shall the fine be less than sixty dollars ($60.00) nor more than five hundred dollars ($500).

(b) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not less than ten dollars ($10.00) nor more than five hundred dollars ($500).

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the bureau of vehicle regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined not less than fifteen dollars ($15.00) nor more than fifty dollars ($50.00) for each day he operates a truck in violation of KRS 189.170.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars ($15.00).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars ($35.00) nor more than two hundred dollars ($200).

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates subsection (1) of KRS 189.370 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(7) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars ($15.00) in excess of the cost of the repair of the road.

(8) Any person who violates KRS 189.510 shall be fined not less than twenty dollars ($20.00) nor more than fifty dollars ($50.00).

[~~(9) (a) Any person who violates subsection (2) of KRS 189.520 shall be fined, for the first offense, not less than one hundred dollars ($100) nor more than five hundred dollars ($500); for the second offense, a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than three (3) days nor more than six (6) months; for each subsequent offense he shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) and imprisoned for not less than thirty (30) days nor more than twelve (12) months.~~

~~(b) Any peace officer who violates subsection (3) of KRS 189.520 shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100).~~]

(9)[~~(10)~~] Any person who violates KRS 189.530 shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100) or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(10)[~~(11)~~] Any person who violates any of the provisions of KRS 189.550 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(11)[~~(12)~~] Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars ($30.00) nor more than one hundred dollars ($100) for each offense.

(12)[~~(13)~~] The fines imposed by paragraph (a) of subsection (4) and subsections (7) and (8) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(13)[~~(14)~~] Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(14)[~~(15)~~] Any person who violates any provision of KRS 189.575 shall, upon conviction thereof, be fined not less than twenty dollars ($20.00) nor more than twenty-five dollars ($25.00).

(15)[~~(16)~~] Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars ($20.00) nor more than one hundred dollars ($100) for each offense.

(16)[~~(17)~~] (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than twenty dollars ($20.00) nor more than two hundred dollars ($200), or imprisoned for not more than thirty (30) days or both.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Each violation shall constitute a separate offense.

(17)[~~(18)~~] Any person who abandons a vehicle upon the right-of-way of a state highway for seven (7) consecutive days shall be fined not less than thirty-five dollars ($35.00) nor more than one hundred dollars ($100) or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(18)[~~(19)~~] Every person convicted for violation of KRS 189.393 shall be punished upon a first conviction by imprisonment for a period of not less than five (5) days nor more than ninety (90) days, or by fine of not less than thirty-five dollars ($35.00) nor more than five hundred dollars ($500), or by both such fine and imprisonment, and on a second or subsequent conviction shall be punished by imprisonment for not less than ten (10) days nor more than six (6) months, or by a fine of not less than sixty dollars ($60.00) nor more than one thousand dollars ($1,000), or by both such fine and imprisonment.

(19)[~~(20)~~] Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157(2).

(20)[~~(21)~~] A person who elects to operate a bicycle in accord with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of such a regulation shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(21)[~~(22)~~] Any person who violates KRS 189.860 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(22)[~~(23)~~] Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars ($25.00) nor more than three hundred dollars ($300).

Section 23. KRS 346.020 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the crime victims compensation board.

(2) "Claimant" means any of the following claiming compensation under this chapter: a victim, a dependent of a deceased victim, a third person other than a collateral source, or an authorized person acting on behalf of any of them.

(3) "Criminally injurious conduct" means conduct that occurs or is attempted in this jurisdiction, poses a substantial threat of personal injury or death, and is punishable by fine, imprisonment or death. Acts which, but for the insanity or mental irresponsibility or lack of capacity of the perpetrator, would constitute criminal conduct shall be deemed to be criminally injurious conduct. The operation of a motor vehicle, motorcycle, train, boat, aircraft or other vehicle in violation of law does not constitute a criminally injurious conduct unless the injury or death was intentionally inflicted *or involved a violation of subsections (1) or (2) of Section 1 of this Act*.

(4) "Family," when used with reference to a person, shall mean:

(a) Any person related to such person within the third degree of consanguinity;

(b) Any person maintaining a sexual relationship with such person; or

(c) Any person residing in the same household with such person.

(5) "Victim" means a resident of this state or the resident of a reciprocal state, who suffers personal injury or death from a criminal act in Kentucky as a result of:

(a) Criminally injurious conduct;

(b) A good faith effort to prevent criminally injurious conduct; or

(c) A good faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct.

Section 24. KRS 431.005 is amended to read as follows:

(1) A peace officer may make an arrest:

(a) In obedience to a warrant; or

(b) Without a warrant when a felony is committed in his presence; or

(c) Without a warrant when he has reasonable grounds to believe that the person being arrested has committed a felony; or

(d) Without a warrant when a misdemeanor, as defined in KRS 431.060, has been committed in his presence; or

(e) Without a warrant when a violation of KRS 189.290, 189.393, *subsections (1) or (2) of Section 1 of this Act* [~~189.520~~], 189.580, 511.080, or 525.070 has been committed in his presence.

(2) Any peace officer may arrest without warrant when he has reasonable grounds to believe that if the person is not arrested he will present a danger or threat of danger to others if not immediately restrained and in addition he has probable cause for believing that said person has intentionally or wantonly caused physical injury to his spouse, parent, grandparent, child, or stepchild. Within twelve (12) hours following apprehension and booking of a person arrested under this section, an officer shall return to the abused person, if the abused person is an adult, and request that a signed, written statement be made by the abused person stating that an abuse occurred and the person who committed it. If the abused person refuses to sign the statement, the charges shall be summarily dismissed and the defendant released from custody.

(3) For purposes of subsection (2) of this section a "peace officer" is a full-time sworn officer of the Kentucky state police, a full-time city policeman, a full-time county policeman, a full-time city-county policeman, a duly elected sheriff, or a full-time paid deputy sheriff.

(4) A private person may make an arrest when a felony has been committed in fact and he has reasonable grounds to believe that the person being arrested has committed it.

Section 25. KRS 431.015 is amended to read as follows:

(1) A peace officer may issue a citation instead of making an arrest for a misdemeanor committed in his presence, if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time.

(2) A peace officer may issue a citation instead of making an arrest for a violation committed in his presence but may not make a physical arrest unless there are reasonable grounds to believe that the defendant, if a citation is issued, will not appear at the designated time or unless the offense charged is a violation of KRS 189.290, 189.393, *subsections (1) or (2) of Section 1 of this Act* [~~189.520~~], 189.580, 511.080, or 525.070 committed in his presence.

(3) If the defendant fails to appear in response to the citation, or if there are reasonable grounds to believe that he will not appear, a complaint may be made before a judge and a warrant shall issue.

(4) When a physical arrest is made and a citation is issued in relation to the same offense the officer shall mark on the citation, in the place specified for court appearance date, the word "ARRESTED" in lieu of the date of court appearance.

Section 26. KRS 431.021 is amended to read as follows:

(1) A guaranteed arrest bond certificate presented by the person whose signature appears thereon shall be accepted in lieu of cash bail in an amount not to exceed two hundred dollars ($200) as a bail bond to guarantee the appearance of such person in any court of this Commonwealth, at the time required by such court, when he is arrested for violation of any law of this Commonwealth or traffic ordinance of any municipality therein relating to the operation of a motor vehicle. A guaranteed arrest bond certificate so presented as a bail bond is subject to the same forfeiture and enforcement provisions as a bail bond or cash bail, but is not subject to Rules 4.30 and 4.34 of the Kentucky Rules of Criminal Procedure. However:

(a) The violation must have been committed prior to the expiration date shown on the guaranteed arrest bond certificate, and

(b) A guaranteed arrest bond certificate may not be accepted when a person is arrested for violation of subsection (2) of *Section 1 of this Act* [~~KRS 189.520~~] or KRS Chapter 281.

(2) As used in this section, "guaranteed arrest bond certificate" means a printed card or other certificate issued by an association to any of its members, which is signed by the member and contains a printed statement that such association and a surety company licensed to do business in this Commonwealth:

(a) Guarantee the appearance of the person whose signature appears on the card or certificate, and

(b) Will, in the event of the failure of such person to appear in court at the time set for appearance, pay any fine or forfeiture imposed upon such person in an amount not to exceed two hundred dollars ($200).

Section 27. KRS 431.410 is amended to read as follows:

The issuance of a summons rather than an arrest warrant shall be mandatory for all offenses, except for violations of KRS 189.290, 189.393, *Section 1 of this Act* [~~189.520~~], 189.580, 511.080 or 525.070, which are deemed violations as defined in KRS 532.020(4) and traffic infractions for which a fine only can be imposed unless the judicial officer finds that:

(1) The defendant previously has failed to respond to a citation or summons for an offense; or

(2) He has no ties to the community and there is a substantial likelihood that he will refuse to respond to a summons; or

(3) The whereabouts of the defendant are unknown and the issuance of an arrest warrant is necessary in order to subject him to the jurisdiction of the court; or

(4) Where arrest is necessary to prevent imminent bodily harm to the accused or to another; or

(5) For any other good and compelling reason as determined by the judicial officer.

Section 28. KRS 431.451 is amended to read as follows:

(1) Offenses for which citations may be issued and for which the minimum fine may be prepaid are: KRS 150.170, 150.175, 150.237, 150.280, 150.290, 150.305, 150.320, 150.340, 150.370, 150.400, 150.410, 150.412, 150.440, 150.445, 150.450, 150.470, 150.660, 150.993, 186.020, 186.050, 186.070, 186.190, 189.020, 189.025, 189.030, 189.040, 189.045, 189.050(1)(2), 189.055, 189.060, 189.070, 189.080, 189.090(1)(2)(3), 189.095, 189.100, 189.110, 189.120, 189.130, 189.140, 189.150, 189.160, 189.170, 189.190, 189.205, 189.231, 189.285, 189.290, 189.300, 189.310, 189.330, 189.338, 189.340, 189.350, 189.375, 189.380, 189.390, 189.430, 189.450, 189.470, 189.480, 189.550, 189.560, 189.570, 189.580(2), 189.820, and 189.940(5).

(2) Offenses for which citations may be issued but for which no prepayment of the fine may be made are: KRS 138.570, 138.630, 138.665, 177.230, 177.300, 186.052, 186.053, 186.170, 186.200, 186.210, 186.410, 186.450, 186.510, 186.540, 186.600, 186.610, 186.620, 186.630, 187.990(2), 189.050(3)(4), 189.090(4), 189.221, 189.222, 189.223, 189.224, 189.270, 189.370, 189.393, 189.500, 189.505, *Section 1 of this Act* [~~189.520~~], 189.530, 189.565, 189.580, 189.751, 189.920, 189.930, 189.950, 281.615, 281.720, 281.726 and 281.804.

Section 29. The following KRS section is repealed:

189.520 Operating vehicle while under influence of intoxicants or drugs prohibited — Presumptions concerning intoxication.

Floor Amendment No. 8 to FA 5 to **SB 223**, by Representative Meyer:

Amend printed copy of HFA (5) to **SB 223**, page 3, line 14, by inserting between the words "loan" and "directly", the phrase: "*of fifteen thousand dollars ($15,000) or less*"

Floor Amendment No. 2 to **SB 267,** by Representative Dawahare:

Amend printed copy of **SB 267,** page 5, after line 22, by adding the following language:

Section 2. KRS 132.220 is amended to read as follows:

(1) Deposits belonging to a resident of Kentucky in any national bank not of this state or in any bank, trust company, or combined bank and trust company not organized under the laws of this state, and unmanufactured tobacco insofar as it is subject to taxation by KRS 132.190 and 132.200, shall be listed, assessed and valued as of September 1 of each year. Money in hand shall be listed, assessed, and valued as of September 1 of each year. Shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and all interest in such property, unless otherwise provided by law shall be listed, assessed, and valued as of the beginning of business on January 1 of each year. All other taxable property and all interest in other taxable property, unless otherwise specifically provided by law, shall be listed, assessed, and valued as of January 1, 1962, and January 1 of each year thereafter. It shall be the duty of all persons owning or having any interest in any property taxable in this state to list or have listed such property with the property valuation administrator of the county where it is located, between January 1 and March 1 in each year, except as otherwise provided by law. All persons in whose name property is properly assessed shall remain bound for the tax, notwithstanding they may have sold or parted with it.

(2) Any taxpayer who has a reasonable excuse for not listing his property before the property valuation administrator or his deputy may appear before any person authorized to administer an oath and make the necessary affidavit required by the schedule as to the value of his property and may then return the schedule to the property valuation administrator. This shall be a compliance with the law in his particular case.

(3) Real property or any interest therein shall be listed in the taxing district where it is located, by the owner of the first freehold estate therein, and it shall be assessed without reference to conflicting title. If the owner fails to list the property, the property valuation administrator shall nevertheless assess it. The property valuation administrator may swear witnesses in order to ascertain the person in whose name to make the list.

(4) Real property shall be assessed in the name of the owner, if ascertainable by the property valuation administrator, otherwise in the name of the occupant, if ascertainable, and otherwise to "unknown owner." The undivided real estate of any deceased person may be assessed to the heirs or devisees of such person without designating them by name.

(5) Beginning in the year 1951, all real property exempt from taxation by section 170 of the constitution shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of such tax-exempt property, but such property shall not be placed on the tax rolls.

(6) *Beginning with on January 1, 1984 assessment date, all interest in or ownership of mineral rights shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of such mineral rights but such property shall not be placed on the tax rolls.*

(7) Each property valuation administrator, under the direction of the department of revenue, shall review annually all real property listed with him under subsection (5) of this section and claimed to be exempt from taxation by section 170 of the constitution *and shall review annually all real property listed with him under subsection (6)*. The property valuation administrator shall place on the tax rolls all such property that is not exempt. Any property valuation administrator who fails to comply with this subsection shall be subject to the penalties prescribed in KRS 132.990 (2).

Floor Amendment No. 9 to Committee Substitute to **SB 279,** by Representative F. Smith:

Amend printed copy of Committee Substitute to **SB 279** page 8, line 25, by inserting after the "." the following:

"*The board shall give public notice of the time and place of the hearing in the manner set forth in KRS Chapter 424 in the county where the facility is proposed to be located and in all counties contiguous to said host county.*"; and on

Page 15, following line 4, by inserting the following:

"*(d) A minimum of seventy-five percent (75%) by volume of the waste received at the facility shall be incinerated or treated in some other manner in order to render it less hazardous prior to its disposal.*"; and

Page 36, following line 2, by inserting the following:

"Section 16. *The Board shall neither receive nor act upon any application for a certificate of environmental safety and public necessity until July 1, 1983.*";and on

Page 36, line 3, by deleting "16" and inserting in lieu therefore "17".

Floor Amendment No. 10 to Committee Substitute to **SB 279,** by Representative F. Smith:

Amend printed copy of Committee Substitute to **SB 279** on page 32, line 26, after the period "." by inserting the following:

"*A hazardous waste disposal facility shall maintain additional excess liability coverage in the amount of at least ten million dollars ($10,000,000)*"; and

On page 33, lines 3-4, by deleting "*three million dollars ($3,000,000)*" and inserting in lieu thereof "*five million dollars ($5,000,000*"; and

On page 33, line 5, by deleting "*six million dollars ($6,000,000)*" and inserting in lieu thereof "*ten million dollars ($10,000,000*".

Floor Amendment No. 1 to **SB 356,** by Representative Pearman:

Amend printed copy of **SB 356,** page 1, line 11, after "*departments*" by adding, "*, except that federal funds for programs that have historically conducted on a district basis shall be exempted from this distribution*"; and

On page 1, line 13 after "*departments*" by adding, "*or district health departments*".

Adjournment

Representative LeMaster moved that the House adjourn until 10:00 a.m., Tuesday, March 30, 1982.

On the roll call the vote was yeas 44-Barrows, Bendl, Boswell, Brinkley, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Ford, Freibert, Holbrook, LeMaster, Lile, List, Little, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Pearman, Petty, Priddy, Rapier, B. Richardson, Riner, Robinson, B. Smith, Stone, Stumbo, Thomas, Thomason, Turner, White, Yates. Nays 9-Blevins, Endicott, Hancock, Kenton, Mann, P. Richardson, Schmidt, F. Smith, Van Horn.

The motion to adjourn was adopted.

TUESDAY, MARCH 30, 1982

FIFTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Mr. Joel League, Living Water Christian Fellowship Church, Shelbyville.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Overstreet moved that the reading of the Journal of March 29, 1982, be dispensed with and the same approved. Agreed.

Introduction of Resolutions

HR 118, by Representative Robinson: A RESOLUTION adjourning the House of Representatives in honor of the Laurel County High School Boys Basketball team for winning the 1981-82 State Tournament.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Natural Resources and Environment: **SB 367.**

Orders of the Day

HJR 62, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Amendment No. 1 to **HJR 62** is as follows:

Amend printed copy of **HJR 62** as follows:

On page 1, before the words "NOW, THEREFORE," by inserting the following:

"WHEREAS, the General Assembly intends to assist the Department for Natural Resources and Environmental Protection in fulfilling its statutory requirements under KRS Chapter 224 and 151 to manage the water resources of the Commonwealth;" and

on page 1, at the end of line 1, by inserting the following: ", intending to assist the Department for Natural Resources and Environmental Protection in fulfillment of its statutory requirements pursuant to KRS Chapter 224 and 151 to manage the water resources of the Commonwealth,"; and

on page 2, line 7, after the words "shall be" inserting the following: "to assist the Department for Natural Resources and Environmental Protection in"; and

on page 2, line 12, by deleting the words "an evaluation" and inserting in lieu thereof "a review"; and

on page 2, line 19, by deleting the word "July" and inserting in lieu thereof "December".

Representative List moved that the House concur in Senate Amendment No. 1 to **HJR 62.** Agreed.

Representative List moved that **HJR 62,** as amended by the Senate, be passed.

On the roll call the vote was yeas 77-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Head, Hines, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn. Nays 1-Deskins.

HJR 62, as amended by the Senate, was passed and the title agreed to.

Representative List moved that the vote by which **HJR 62,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HR 3, with Senate Committee Substitute and Senate Title Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

The Senate Title Amendment to **HR 3** is as follows:

Amend printed copy of Committee Substitute to **HR 3** as follows: by deleting the title and substituting therefor the following:

"A JOINT RESOLUTION directing the interim committee with jurisdiction over solar energy to create a subcommittee to continue the activities initiated by the Special Solar Energy Advisory Committee and establishing an alternate energy development fund."

Representative F. Smith moved that the House concur in the Senate Title Amendment to **HR 3.** Agreed.

Representative F. Smith moved that **HR 3,** as amended by the Senate, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Bennett, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Handy, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington. Nays 2-Deskins, Overstreet.

HR 3, as amended by the Senate, was passed and the title agreed to.

Representative F. Smith moved that the vote by which **HR 3,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 383, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 383** is as follows:

Amend printed copy of **HB 383** as follows:

On page 1, line 4, delete the colon":"; page 1, lines 5-7, delete lines 5-7; page 1, line 8, delete "*(b) With*" and insert in lieu thereof "*with*".

Representative Brown moved that the House concur in Senate Amendment No. 1 to **HB 383.** Agreed.

Representative Brown moved that **HB 383,** as amended by the Senate, be passed.

On the roll call the vote was yeas 69-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Crupper, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Head, Hines, Holloway, Kidd, Layman, Lile, Little, Long, Lundergan, Maggard, McBee, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Todd, Turner, Van Horn, White, Worthington. Nays 9-Barrows, Deskins, Fryman, Hancock, T. Jones, Mann, McNutt, Meyer, Noe.

HB 383, as amended by the Senate, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 383,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 477 with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 477** is as follows:

Amend printed copy of **HB 477** as follows: page 2, line 8, after the word "*The*" by inserting the words "*backside improvement*".

Representative Mann moved that the House concur in Senate Amendment No. 1 to **HB 477.** Agreed.

Representative Mann moved that **HB 477,** as amended by the Senate, be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Van Horn, White. Nays 7-Cline, Deskins, Ellington, Endicott, Moore, Todd, Turner.

HB 477, as amended by the Senate, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 477,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 319, with Senate Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 319** is as follows:

Amend printed copy of **HB 319** as follows: on page 1, line 6 after "*(b)*" delete "*Abstracts;*"

page 1, line 7, delete "*(c)*"

page 1, line 8, delete "*(d)*" and insert in lieu thereof "*(c)*"

page 1, line 9, delete "*(e)*" and insert in lieu thereof "*(d)*"

page 1, line 10, delete "*(f)*" and insert in lieu thereof "*(e)*"

page 1, line 11, delete "*(g)*" and insert in lieu thereof "*(f)*"

Representative Donnermeyer moved that the House concur in Senate Amendment No. 1 to **HB 319.** Agreed.

Representative Donnermeyer moved that **HB 319,** as amended by the Senate, be passed.

On the roll call the vote was yeas 72-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Lefevers, Lile, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moore, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White. Nays 12-Barrows, Brown, Burnette, Deskins, Ellington, Guenthner, Layman, LeMaster, List, McNutt, Moberly, Tobin.

HB 319, as amended by the Senate, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 319**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 744, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 744** is as follows:

Amend printed copy of **HB 744** as follows:

on page 5, by deleting lines 3-5 in their entirety; and

on page 5, line 6, by changing "*(14)*" to "*(13)*".

Representative Arnold moved that the House concur in Senate Amendment No. 1 to **HB 744**. Agreed.

Representative Arnold moved that **HB 744**, as amended by the Senate, be passed.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blevins, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Foster, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Johnson, R. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Nett, Noe, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn. Nays 19-Clapp, Deskins, Ellington, Endicott, Ford, Freibert, Fryman, Holbrook, Layman, Lile, Little, McNutt, Moore, Morris, Noland, O'Brien, Pearman, Rattliff, Tobin.

HB 744, as amended by the Senate, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 744**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 336, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Title Amendment to **HB 336** is as follows:

Amend printed copy of **HB 336** as follows: after "class" insert "and third class"

Representative Meyer moved that the House concur in Senate Title Amendment to **HB 336**. Agreed.

Representative Meyer moved that **HB 336**, as amended by the Senate, be passed.

On the roll call the vote was yeas 42-Bendl, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Donnermeyer, Dunn, Endicott, Harper, Head, Hines, Holbrook, T. Jones, Kenton, Kidd, Lefevers, Lile, List, Long, Lundergan, Mann, McBee, McNutt, Meyer, Morris, Noland, Pearman, Petty, Rapier, Richards, Robinson, Seum, B. Smith, F. Smith, Stumbo, Thomason. Nays 44-Barrows, Bennett, Brinkley, Brown, Bruce, Burnette, Clapp, Clarke, Cline, Cyrus, Dawahare, Deskins, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Holloway, Johnson, Layman, LeMaster, Little, Maggard, Moberly, Moore, O'Brien, Overstreet, Patrick, Perkins, Priddy, Rattliff, P. Richardson, Stone, Tobin, Todd, Turner, Van Horn, White, Worthington.

HB 336, as amended by the Senate, was defeated.

HB 411, with Senate Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 411** is as follows:

HB 411, AN ACT relating to contributions to pension systems.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.560 is amended to read as follows:

(1) Each employe shall, commencing on July 1, 1966, contribute for each pay period for which he receives compensation four percent (4%) of his creditable compensation, except that members of the general assembly, who elect the survivorship option provided in subsections (9), (10) and (11) of KRS 61.635, shall each contribute six and six-tenths percent (6.6%) of creditable compensation commencing with the payroll period immediately following his election of the option. Any other provisions of KRS 61.510 through 61.702 notwithstanding, any reemployed retiree, as described in KRS 61.637, shall contribute four percent (4%) of his creditable compensation, or the amount required by KRS 61.592(3) if applicable, if he anticipates that he will receive more than the maximum permissible earnings, as provided by the federal social security act, in compensation as a result of reemployment during the calendar year.

(2) Each employer shall cause to be deducted from the creditable compensation of each employe for each and every payroll period the contribution payable by each such employe as provided in KRS 61.510 to 61.692.

(3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employe shall be reduced thereby. Every employe shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.510 to 61.692.

(4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each employer shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. Each employer shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 61.510 to 61.692 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 2. KRS 16.545 is amended to read as follows:

(1) Except for members over age fifty-five (55) on July 1, 1958, who shall not be required to contribute, each member shall, commencing on July 1, 1968, contribute for each pay period for which he receives compensation, seven per cent (7%) of his creditable compensation.

(2) The employer shall cause to be deducted from the compensation of each member for each and every payroll period subsequent to July 1, 1958, the contributions payable by such member as provided in KRS 16.510 to 16.652.

(3) Every member shall be deemed to consent to deductions made as provided herein; and the payment of salary or compensation less such deduction shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 16.510 to 16.652.

(4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each employer shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. Each employer shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the

system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 16.505 to 16.645 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 3. KRS 78.610 is amended to read as follows:

(1) Each employe shall, commencing on July 1, 1966, contribute for each pay period, for which he receives compensation four percent (4%) of his creditable compensation. Any other provisions of KRS 78.510 through 78.852 notwithstanding, any reemployed retiree, as described in KRS 61.637, shall contribute four percent (4%) of his creditable compensation, or the amount required by KRS 61.592(3) if applicable, if he anticipates that he will receive more than the maximum permissible earnings, as provided by the federal social security act, in compensation as a result of reemployment during the calendar year.

(2) The treasurer, attorney, clerk, jailer and sheriff of a participating county shall cause to be deducted from the "creditable compensation" of each employe for each and every payroll period subsequent to the date the county participated in the system, the contribution payable by such member as provided in KRS 78.510 to 78.852. The attorney, clerk, jailer and sheriff shall promptly pay such deducted employe contributions to the treasurer for forwarding to the board in accordance with KRS 78.625.

(3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employe shall be reduced thereby. Every employe shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 78.510 to 78.852.

(4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each employer shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. Each employer shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 78.510 to 78.852 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 4. KRS 161.540 is amended to read as follows:

(1) Each member shall contribute to the retirement system seven and seven-tenths percent (7 7/10%) of his annual compensation. The contribution of a member shall not exceed this percentage on his current annual compensation.

(2) Effective July 1, 1979, each member shall contribute to the retirement system seven and eighty-four hundredths percent (7 84/100%) of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

(3) Effective July 1, 1982, each member shall contribute to the retirement system nine and thirty-two hundredths percent (9 32/100%) of annual compensation except that university faculty members shall contribute seven and eighty-four hundredths percent (7 84/100%) of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation.

(4) Each public board, institution or agency, as listed in KRS 161.220(4)(a) through (f) shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each public board, institution or agency shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. Each employer shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive

the contributed amounts directly instead of having them paid by the employer to the system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 161.220 to 161.714 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 5. KRS 21.360 is amended to read as follows:

(1) Each judge of the district court in office on July 1, 1978, may within thirty (30) days after that date, and any judge or justice of any court entitled to be a member thereafter taking office may within thirty (30) days after taking office, elect to make monthly contributions to the retirement system in an amount equal to five percent (5%) of his monthly official salary. The election shall be effective to establish membership in the system as of July 1, 1978, or as of the date the judge or justice took office, as the case may be. The election shall be addressed to and filed with the secretary of the executive department for finance and administration, and shall constitute an authorization by the member, to the secretary, to thereafter cause to be deducted from the member's official salary, each month, an amount equal to five percent (5%) of the monthly salary, as a voluntary contribution by the member towards the funding of the retirement system. Such election, upon being made, shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under the terms and conditions of KRS 21.350 to 21.510.

(2) Membership and benefit rights for judges and justices (other than judges of the district court), and for the commissioners and administrative director, who took office prior to July 1, 1978, shall be dependent upon valid elections having been made under this section (and KRS 21.355 and 21.365) prior to the 1978 amendment to this section. The terms of such elections, including the contribution rate, shall continue to govern for the duration of the member's service.

(3) When any judge of the district court in office on July 1, 1978 elects membership in the judicial retirement system in accordance with this section, his membership in the Kentucky employes retirement system shall terminate as of July 1, 1978 and any credit in that system he earned for service as a judge of the district court shall be nullified; provided that the effect of such service to validate any other service credit in that system shall not be nullified.

(4) The state shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, the state shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. The state shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 21.345 to 21.570 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 6. KRS 6.505 is amended to read as follows:

(1) Each legislator in office on July 1, 1980 may within thirty (30) days after that date, and any legislator thereafter taking office may within thirty (30) days after the date thereof, elect to make monthly contributions to the legislators retirement plan, in an amount equal to five (5) percent of his monthly creditable compensation, as defined in KRS 61.510(13). The election shall be effective to establish membership in the plan as of July 1, 1980 or as of the date from which the thirty (30)-day period is measured, as the case may be. Provided, however, that any legislator in office on July 1, 1980 may, after the expiration of the thirty (30) day period and until February 1, 1981, make the election, in which event he shall pay to the legislators retirement plan, for the months between July 1, 1980 and the date of his election such sum as, when added to any member's contribution by him that is transferred from another retirement system under KRS 6.535, will equal the member's contribution required by this section. The election shall be addressed to and filed with the secretary of the department of finance and shall constitute an authorization to the secretary to thereafter cause to be deducted from the member's monthly creditable compensation an amount equal to five (5) percent thereof, as a voluntarily elected contribution by the member towards the funding of the legislators retirement plan. Such election shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under KRS 6.515 to 6.530.

(2) The state shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions

in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, the state shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. The state shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 6.500 to 6.535 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

(3) When any legislator elects membership in the legislators retirement plan in accordance with this section, his active membership in the Kentucky employes retirement system, county employes retirement system, or teachers retirement system shall terminate, as of the date his membership in the legislators' retirement plan becomes effective, to the extent that service as a legislator is concerned, and any credit that he then has in such other system or systems, earned for service as a legislator, shall be transferred to and counted as service credit in the legislators retirement plan, and shall no longer constitute credit in such other retirement system except for the purpose of validating any other credit in that system. However, any credit he then has in such other retirement system, earned for service in any capacity other than a legislator, shall not be affected.

Section 7. KRS 61.543 is amended to read as follows:

(1) Employe contributions shall be deducted each payroll period from the creditable compensation of each employe of an agency participating in the retirement system while he is classified as regular full-time as defined in KRS 61.510 unless such person did not elect to become a member as provided by subsection (2) of KRS 61.525. *After August 1, 1982, employe contributions shall be picked up by the employer pursuant to KRS 61.560(4).* Service credit will be allowed for each month such contributions are deducted *or picked up* during a fiscal or calendar year, provided the member receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.

(2) Employe contributions shall not be deducted from the creditable compensation of an employe *or picked up by the employer* while he is seasonal, emergency, temporary or part-time. No service credit will be earned.

(3) Contributions shall not be made *or picked up by the employer* and no service credit will be earned by a member while on leave except:

(a) A member on military leave shall be entitled to service credit in accordance with KRS 61.555; and

(b) A member on educational leave, approved by the department of personnel, who is receiving 75% or more of full salary, shall receive service credit and shall pay employe contributions, *or such contributions shall be picked up* in accordance with KRS 61.560 and his employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid *or picked up* during the period of educational leave shall be refunded.

(4) The retirement office, upon detection, shall refund erroneous employer and employe contributions made to the retirement system.

Section 8. KRS 61.680 is amended to read as follows:

(1) *Prior to August 1, 1982,* every employe shall be deemed to consent and agree to any deduction from his compensation required by KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and to all other provisions thereof. *Thereafter employe contributions shall be picked up by the employer pursuant to KRS 61.560(4).*

(2) (a) Notwithstanding any other provisions of KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852 and 161.220 to 161.714, upon death, disability, or service retirement a member's accounts under the state police retirement system, Kentucky employes retirement system, county employes retirement system and teachers' retirement system shall be consolidated for the purpose of determining eligibility and amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation shall be determined as if all service were in one system. If the member has prior service in more than one system, he must obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate such prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits each system shall pay the applicable percentage of total benefits.

(b) The provisions of subsection (2)(a) of this section shall be waived if the member notifies the board of his desire to maintain separate retirement accounts in the state police retirement system, Kentucky employes retirement system or county employes retirement system, or if he is a member of the state police retirement system or is working in a hazardous position under the Kentucky employes retirement system or county employes retirement system and as a result of an act in line of duty becomes disabled or deceased.

(c) If the member has not contributed at least one year in a system in which he has prior service his current service in such system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.

(3) A member with service credit in the Kentucky employes retirement system, state police retirement system or the county employes retirement system who enters the service of a department, board, agency or instrumentality of the Commonwealth whereby such person would be eligible for membership in the judicial retirement system may elect to retain membership in the system in which he is a member, either the Kentucky employes retirement system, state police retirement system or the county employes retirement system. When such an election is made, the agency employing the member shall withhold employe contributions, *or picked up employe contributions after August 1, 1982,* make employer contributions and remit these contributions to the system in which the member retained his membership.

(4) (a) Prior to July 1, 1976 a person entering the service of an employer participating in the Kentucky employes retirement system or the county employes retirement system with service credit in the teachers' retirement system and who desires to retain membership in the teachers' retirement system, and who is permitted by that system to continue is hereby exempt from participating in the Kentucky employes retirement system or the county employes retirement system.

(b) Any person who has elected to retain membership in the teachers' retirement system as provided in subsection (a) of this section may cancel his election and participate in the system under which his position would normally participate, provided he elects to cancel his option prior to January 1, 1977.

(c) Any member of the general assembly who upon election is a contributing member of the teachers' retirement system may elect to retain membership in the teachers' retirement system during his term of office rather than participate in the Kentucky employes retirement system. Such election to retain membership in the teachers' retirement system must be filed in writing within ninety (90) days after his term of office begins or he will participate in the Kentucky employes retirement system during his term of office. No contributions may be made to the teachers' retirement system for the same period of service under the Kentucky employes retirement system as a member of the general assembly.

(5) Effective July 1, 1974 any member of the Kentucky employes retirement system or county employes retirement system who is working in a position covered by one (1) of these retirement systems and his employe contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates, *or after August 1, 1982, the employer shall pick up such employe contributions,* and no further contributions or service credit shall be transferred to the system in which he elected to retain membership as subsection (2) of this section eliminates the necessity of such transfers.

(6) Any member of the Kentucky employes retirement system or county employes retirement system who is working in more than one position covered by one of these retirement systems, will have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, then an accumulation of all hours worked will be used to determine eligibility under KRS 61.510(21).

(7) Notwithstanding the provisions of subsection (3) of this section and KRS 21.375, a person entering membership of the judicial retirement system with service credit in the state police retirement system, Kentucky employes retirement system, county employes retirement system or teachers' retirement system will become vested for early and normal retirement benefits in each system in which he has service credit when his combined service credit in all systems is equal to that required for vesting in each respective system.

Section 9. KRS 16.543 is amended to read as follows:

(1) Employe contributions shall be deducted from the creditable compensation of each member of the retirement system in the active employment of the bureau of state police of the department of justice as an officer as defined in KRS 16.520. *After August 1, 1982, employe contributions shall be picked up by the employer pursuant to KRS 16.545(4).* Service credit shall be allowed for each month such member receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.

(2) Contributions shall not be made and no service will be earned while on authorized leave except:

(a) A member shall be entitled to service credit in accordance with KRS 16.541; and

(b) A member on educational leave, approved by the department of personnel, who is receiving seventy-five percent (75%) or more of full salary, shall receive service credit and shall pay member contributions *or such contributions shall be picked up* in accordance with KRS 16.545 and his employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid *or picked up* during the period of educational leave shall be refunded.

(3) The retirement office, upon detection, shall refund erroneous employer and employe contributions made to the retirement system.

Section 10. KRS 78.615 is amended to read as follows:

(1) Employe contributions shall be deducted each payroll period from the creditable compensation of each employe of an agency participating in the system while he is classified as regular full-time as defined in KRS 78.510 unless such person did not elect to become a member as provided by subsection (2) of KRS 78.540. *After August 1, 1982, employe contributions shall be picked up by the employer pursuant to KRS 78.610(4).* Service credit will be allowed for each month such contributions are deducted *or picked up* during a fiscal or calendar year, provided the employe receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) hours per month, the employe shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.

(2) Employe contributions shall not be deducted from the creditable compensation of any employe *or picked up by the employer* while he is seasonal, emergency, temporary or part-time. No service credit will be earned.

(3) Contributions shall not be made *or picked up by the employer* and no service credit will be earned by a member while on leave except:

(a) A member on military leave shall be entitled to service credit in accordance with KRS 61.555; and

(b) A member on educational leave who meets the criteria established by the state department of personnel for approved educational leave, who is receiving 75% or more of full salary shall receive service credit and shall pay member contributions in accordance with KRS 78.610 and his employer shall pay employer contributions *or such contribution shall be picked up* in accordance with KRS 61.565. If a tuition agreement is broken by the member the member and employer contributions paid *or picked up* during the period of educational leave shall be refunded.

(4) The retirement office, upon detection, shall refund erroneous employer and employe contributions made to the retirement system.

Section 11. KRS 161.220 is amended to read as follows:

As used in KRS 161.220 to 161.710:

(1) "Retirement system" means the arrangement provided for in KRS 161.230 to 161.710 for payment of allowances to teachers.

(2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service.

(3) "Disability allowance" means the amount annually payable to a member retired by reason of disability.

(4) "Teacher" means any member of a local retirement system who became a member of the state teachers' retirement system according to the provisions of Acts 1938 (1st Ex. Sess.), ch. 1, paragraph 49; and any regular or special teacher, supervisor or administrator occupying a position requiring certification by the state department of education or a professional level of training, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:

(a) Local boards of education;

(b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community or junior colleges established under the control of any of the above;

(c) State and area vocational schools, Kentucky school for the blind, and Kentucky school for the deaf;

(d) The state department of education, and such members of the administrative staff of the teachers' retirement system of the state of Kentucky as the board of trustees may designate by regulation;

(e) Regional cooperative organizations formed by local boards of education and/or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations; and

(f) All full-time members of the staffs of the Kentucky association of school administrators, Kentucky education association, Kentucky vocational association, Kentucky high school athletic association and the Kentucky school boards association who were members of the Kentucky teachers' retirement system or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petition to be included. The board of trustees of the Kentucky teachers' retirement system may designate by resolution whether part-time employes of the petitioning association are to be included. The state shall make no contributions on account of such employes, either full-time or part-time. The association shall make the employer's contributions including any overmatch that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to such persons in the employ of the associations on or subsequent to July 1, 1972.

(5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by Acts 1938 (1st Ex. Sess.), ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and continued to be a member of such system until he, with the membership of the local retirement system, became a member of the state teachers' retirement system or who becomes a member under the provisions of KRS 161.470(4).

(6) "New teacher" means any teacher not a present teacher.

(7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher.

(8) "Subsequent service" means the number of years during which the teacher is a member of the teachers' retirement system after July 1, 1941.

(9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, *or on which the public board, institution or agency has picked up employe contributions pursuant to KRS 161.540(4),* or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), *which shall include picked up employe contributions.*

(10) "Annual compensation" means the contractual salary and additions thereto received by a member as compensation for services as a teacher in the public schools of Kentucky during a fiscal year before any deductions.

(11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members.

(12) "Age of entrance" means the age attained at the last birthday of any member at the time of the establishment of the retirement system, if the member was a member subject to membership in the system at that time. Otherwise it means the age attained as of July 1 of the fiscal year in which he first becomes a member of the retirement system. Any birthday occurring on February 29 shall be considered as occurring on February 28.

(13) "Regular interest" means interest at three percent (3%) per annum.

(14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund for retirement annuity, *including picked up employe contributions as described in KRS 161.540(4),* plus accrued regular interest.

(15) "Annuitant" means a person who receives a retirement allowance or a disability allowance.

(16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky.

(17) "Fiscal year" means the twelve-month period from July 1 to June 30.

(18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section.

(19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (½) of the support from the member for maintenance, including board, lodging, medical care and like costs.

(20) "Active contributing member" means a member currently making contributions to the teachers' retirement system or who made such contributions in the next preceding fiscal year, *or for whom picked up employe contributions are currently being made or for whom such contributions were made in the next preceding fiscal year.*

(21) "Regular teacher, supervisor, or administrator", when used to determine eligibility for membership in the retirement system, means a professional employe holding a position which requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a daily or weekly basis.

Section 12. KRS 161.545 is amended to read as follows:

Members may make contributions and receive service credit for substitute, part-time or any service other than regular full time teaching as provided in the rules and regulations of the board of trustees. Members placed on leave of absence may make contributions and receive service credit for such leave as provided in rules and regulations adopted by the board of trustees. *Contributions permitted after August 1, 1982 shall be picked up pursuant to KRS 161.540(4).*

Section 13. KRS 161.560 is amended to read as follows:

Each agency employing members of the retirement system shall deduct from the compensation of each member for each payroll period subsequent to the date upon which the teacher became a member such percentage of his earnable compensation as is due under the rates prescribed in KRS 161.540. No later than fifteen (15) days following the end of each payroll period the agency shall forward all amounts so deducted to the teachers' retirement system. Such payroll reports, contributions lists, and other data as may be required by regulation of the board of trustees shall be submitted. The deductions shall be made notwithstanding the fact that the salary as a result may be less than the minimum compensation provided by law. Every member shall be deemed to consent and agree to the deductions and the deductions shall be considered as having been paid to the member. *After August 1, 1982, employe contributions shall be picked up by the agency pursuant to KRS 161.540(4).*

SECTION 14. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The pick up of employe pension contributions pursuant to this Act shall not be construed as either an increase or a decrease in the amount budgeted for employe salaries by the state or any other employer affected by this Act.

Section 15. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Commissioner" means the commissioner of revenue;

(2) "Department" means the department of revenue;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1979, exclusive of any amendments made subsequent to that date;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude income from supplemental annuities provided by the railroad retirement act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude employe pension contributions picked up as provided for in Sections 1 to 6 and Sections 36, 37 and 44 of this Act, upon a ruling by the Internal Revenue Service or the federal courts that these contributions shall not be included as gross income until such time as the contributions are distributed or made available to the employe;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amount allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code and by Section 214 of the Internal Revenue Code as it existed on December 31, 1975 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(h);

(c) The deduction for personal exemptions allowed under section 151 of the Internal Revenue Code and any other deductions in lieu thereof;

(12) "Gross income," in the case of corporations, means "gross income" as defined in section 61 of the Internal Revenue Code and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky constitution and the constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors under the provisions of section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of section 281 of the Internal Revenue Code in computing gross income;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus all the deductions from gross income allowed corporations by chapter 1 of the Internal Revenue Code, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in sections 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120; and

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(15) "Person" means "person" as defined in section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in section 3401(d) of the Internal Revenue Code;

(20) "Employe" means "employe" as defined in section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), and (q) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in section 7701(a)(3) of the Internal Revenue Code;

(25) "Electing small business corporations" means "electing small business corporations" as defined in Section 1371(b) of the Internal Revenue Code. Stockholders of a corporation qualifying after December 31, 1979 as "electing small business corporations" under Chapter 141 may elect to treat such qualification as an initial qualification under Internal Revenue Code Sections 1371-1378.

Section 16. KRS 61.510 is amended to read as follows:

As used in KRS 61.515 to 61.692, unless the context otherwise requires:

(1) "System" means the Kentucky employes retirement system created by KRS 61.515 to 61.692;

(2) "Board" means the board of trustees of the system as provided in KRS 61.645;

(3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.515 to 61.692, the members, officers and employes of the general assembly and any other body, entity or instrumentality designated by executive order by the governor, shall be deemed to be a department notwithstanding whether said body, entity or instrumentality is an integral part of state government;

(4) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(5) "Employe" means the members, officers and employes of the general assembly and every regular full-time appointed or elective officer or employe of a participating department, including the department of military affairs. The term shall not, however, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 61.515 to 61.692;

(6) "Employer" means a department or any authority of such department having the power to appoint or select an employe in such department, including the senate and the house of representatives, *or any other entity, the employes of which are eligible for membership in the system pursuant to KRS 61.525*;

(7) "State" means the Commonwealth of Kentucky;

(8) "Member" means any employe who is included in the membership of the system or any former employe whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employe, on and after July 1, 1956, (except that for members, officers and employes of the general assembly this date shall be January 1, 1960) for which creditable compensation is paid and employe contributions deducted except as otherwise provided in KRS 61.552(7) and KRS 61.555, and each member, officer and employe of the general assembly shall be credited with a month of current service for each month he occupies such position during a legislative biennium subsequent to January 1, 1960;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which creditable compensation was paid; except that, for members, officers and employes of the general assembly this date shall be January 1, 1960. An employe shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer and employe of the general assembly shall be credited with a month of prior service for each month he occupied such position during a legislative biennium prior to January 1, 1960;

(12) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, *including employe contributions picked up after August 1, 1982 pursuant to KRS 61.560(4)*, together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employe as a result of services performed for the employer, *including employe contributions picked up after August 1, 1982 pursuant to KRS 61.560(4)*, except that for members of the general assembly it shall mean an assumed salary of $18,000 per annum which shall include per diem and expense payments authorized by KRS Chapter 6. The creditable compensation of members, officers and employes of the general assembly shall be calculated as having been received in equal amounts for each month of the biennium. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12). Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employe were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, *including employe contributions picked up after August 1, 1982 pursuant to KRS 61.560(4)*, except for members of the general assembly the "final rate of pay" shall be the creditable compensation. Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate; 1,950 hours, 260 days, 52 weeks, 12 months, one year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in cases of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth birthday of a member unless otherwise provided in KRS 61.515 to 61.692;

(19) "Fiscal year" of the system means the twelve (12) months from July 1, through the following June 30;

(20) "Officers and employes of the general assembly" means the occupants of those positions enumerated in KRS 6.150 and the assistants if employed by the general assembly for at least six (6) legislative bienniums;

(21) "Regular full-time positions" as used in subsection (5) of this section shall mean all positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time, all positions of local health departments meeting the definitions as set forth in KRS chapter 18 of provisional full-time, probationary full-time and permanent full-time and all other positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are nonrenewable;

(c) Temporary positions which are positions of employment with a participating department for a period of time not to exceed six (6) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty;

(22) "Delayed contribution payment" means an amount paid by an employe for current service obtained under KRS 61.552. Such amount shall be determined using the same formula adopted by the board for purchase of service under KRS 61.552(7) except the employe shall pay a single payment of 50% of the total cost of such service with no cost to the employer, *and such payment shall not be picked up by the employer*. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434; and

(23) "Parted employer" means a department, portion of a department, board or agency (such as Outwood Hospital and School) which previously participated in the system, but due to lease, or other contractual arrangement is now operated by a publicly held corporation or other similar organization, and therefore, no longer participating in the system.

Section 17. KRS 61.543 is amended to read as follows:

(1) Employe contributions shall be deducted each payroll period from the creditable compensation of each employe of an agency participating in the retirement system while he is classified as regular full-time as defined in KRS 61.510 unless such person did not elect to become a member as provided by subsection (2) of KRS 61.525. *After August 1, 1982, employe contributions shall be picked up by the employer pursuant to KRS 61.560(4).* Service credit will be allowed for each month such contributions are deducted *or picked up* during a fiscal or calendar year, provided the member receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.

(2) Employe contributions shall not be deducted from the creditable compensation of an employe *or picked up by the employer* while he is seasonal, emergency, temporary or part-time. No service credit will be earned.

(3) Contributions shall not be made *or picked up by the employer* and no service credit will be earned by a member while on leave except:

(a) A member on military leave shall be entitled to service credit in accordance with KRS 61.555; and

(b) A member on educational leave, approved by the department of personnel, who is receiving 75% or more of full salary, shall receive service credit and shall pay employe contributions, *or such contributions shall be picked up* in accordance with KRS 61.560 and his employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid *or picked up* during the period of educational leave shall be refunded.

(4) The retirement office, upon detection, shall refund erroneous employer and employe contributions made to the retirement system.

Section 18. KRS 61.552 is amended to read as follows:

(1) Any employe of a department participating in the Kentucky employes retirement system, or any employe of an agency participating in the county employes retirement system, or any member of the state police retirement system, or any active contributing member of the teachers' retirement system or a contributing member of the judicial retirement system or an employe of a parted employer whose employment has previously been terminated and who has been refunded his accumulated contributions, thereby losing service

credit, may regain such credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system provided, however, the provisions of KRS 161.470 must be met in order to regain such credit in the teachers' retirement system and provided further that KRS 21.460 shall govern with respect to regaining credit in the judicial retirement system. Such payment including interest as determined by the board shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. *Such payments shall not be picked up, as described in KRS 61.560(4), by the employer.*

(2) Any employe of a county participating in the county employes retirement system or any former county employe who is an employe of a participating department in the Kentucky employes retirement system or a contributing member of the state police retirement system, teachers' retirement system, or judicial retirement system who did not elect membership in the county employes retirement system as provided in subsection (2) of KRS 78.540 may obtain credit in the county employes retirement system for prior service and for current service by paying to the county employes retirement system a delayed contribution payment for the service he would have received had he elected membership. *The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.*

(3) Any employe of a participating department or any former state employe who is an employe of a county participating in the county employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system who did not elect membership in the Kentucky employes retirement system as provided in subsection (2) of KRS 61.525 may obtain credit in the Kentucky employes retirement system for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. *The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.*

(4) An employe of a participating department which did not participate in the system effective July 1, 1956, or any former state employe who is an employe of a county participating in the county employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system, may obtain credit in the Kentucky employes retirement system for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. *The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.*

(5) An employe of a county participating in the county employes retirement system which did not participate in the system effective July 1, 1958, or any former county employe who is an employe of a department participating in the Kentucky employes retirement system or a contributing member of the state police retirement system, teachers' retirement system or judicial retirement system may obtain credit in the county employes retirement system for current service between July 1, 1958, and the effective date of participation of his county by paying to the county employes retirement system a delayed contribution payment for the services he would have received had his county participated on July 1, 1958. *The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.*

(6) Effective January 1, 1975, service credit obtained under subsections (1) to (5) of this section shall be disallowed and the recontribution of refund including interest as determined by the board and the delayed contribution payment, if any, shall be paid to the member, upon request, or in the event of his death to his properly designated beneficiary if the member does not obtain for service performed six (6) months current service credit in either the Kentucky employes retirement system, county employes retirement system, state police retirement system, teachers' retirement system, judicial retirement system, or as an employe of a parted employer.

(7) Any employe of a county participating in the county employes' retirement system, or any employe of a department participating in the Kentucky employes' retirement system, who has obtained for service performed six (6) months current service credit in either retirement system, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by an advance funded retirement program in which he could vest during his period of employment, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the county employes' retirement system or the Kentucky employes' retirement system for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the county employes' or Kentucky employes' retirement system. *The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.*

(8) (a) Effective August 1, 1980, any county participating in the county employes retirement system may purchase current service, between July 1, 1958 and participation date of the county, for present employes of the county who have obtained coverage under KRS 78.540.

(b) Effective July 1, 1973, any department participating in the Kentucky employes retirement system may purchase current service between July 1, 1956 and participation date of the department, for present employes of the department who were employes on the participation date of the department and elected coverage under KRS 61.525(2).

(c) Effective August 1, 1980, any county participating in the county employes retirement system or employe or former employe may purchase current service between July 1, 1958 and the participation date of the county for former employes who were employed by the county on or after July 1, 1958 but before the county's participation date, KRS 78.540 notwithstanding.

(d) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for such service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of such service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period.

(e) If a county or department elects the provisions of this subsection any present employe who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsections (4) or (5) of this section shall have his payment for such service credit refunded with interest at the rate paid under KRS 61.575 or KRS 78.640.

(f) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(9) Interest paid by a member of the Kentucky employes retirement system, county employes retirement system, or state police retirement system under this section or other similar statutes under KRS 16.505 to 16.652 or 61.510 to 61.692 or 78.510 to 78.852 prior to June 19, 1976 shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

Section 19. KRS 61.555 is amended to read as follows:

(1) Prior to July 1, 1976, any employe entering the armed forces of the United States after he first participates in the system, being on leave of absence from service and not withdrawing his accumulated contributions, shall be entitled to have credited as current service his period of service in the armed forces of the United States, not to exceed six (6) years, if his discharge therefrom is honorable and he is reemployed within two (2) years after discharge, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge.

(2) Any member of the system who, prior to the date he first participated in the system, terminated his employment in order to enter the armed forces of the United States and who was or is reemployed within two (2) years after his honorable discharge therefrom, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge, shall be entitled to have credited as prior service his period of service in the armed forces, not to exceed six (6) years.

(3) Any national guard technician involuntarily serving on active military duty during the period between January 26, 1968, and January 1, 1970, who completes his eight (8) years service while on military duty during this period, shall have that portion of his service, necessary to the completion of eight (8) years current service, credited to his account, as current service without having to meet the reemployment criteria.

(4) Any employe eligible for retirement as prescribed in KRS 61.559 or any employe upon completion of five (5) years of service shall receive current service credit for a maximum of four (4) years for his period of service in the armed forces of the United States, if his discharge therefrom is honorable and he has not been credited with such service under subsections (1) to (3) of this section provided he pays thirty-five percent (35%) of the cost of such service based on the formula adopted by the board. The payment by the member *shall not be picked up by the employer, as described in KRS 61.560(4), and* shall be deposited to his individual member's account. The remaining sixty-five percent (65%) shall be paid by the state from funds appropriated specifically for such purpose and these payments shall be deposited to the respective retirement allowance accounts. If no funds are available in the special appropriation account the board shall not accept employe payments until such time as funds are available in the account.

(5) A member eligible to purchase military service credit under subsection (4) of this section shall receive current service credit for military service as provided under subsection (4) of this section without payment of the current employe contribution ratio if such member was taken prisoner by a hostile power at any time during active military service.

(6) Effective July 1, 1978, no veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for such pension in the future. Provided, that nothing in this section shall prohibit such purchase of credit where the military pension results from service primarily on inactive duty in a reserve component of the armed forces, or where the military pension is for a veteran sixty-five (65) years of age or older who is considered permanently and totally disabled.

Section 20. KRS 61.557 is amended to read as follows:

(1) Inasmuch as the take-over of the Kentucky state employment service by the federal government, through its United States employment service and war manpower commission, was recognized by both federal and state governments as a temporary measure during the war emergency, and the said employment service was, in fact, returned to the state government at the close of the emergency period, the employes of said service are recognized as employes of the commonwealth for the purposes of KRS 61.510 to 61.692 during the period of control by the federal government, just the same as if they had been employed in another department of the government of the commonwealth during that period.

(2) Should a parted employer rejoin a department as a result of the cancellation of a contract or lease arrangement, thereby causing each employe thereof to again become an employe as defined in KRS 61.510(5) the board is hereby authorized to negotiate with the publicly held corporation or other similar organizations for payment for the years of service credit under the system for all employes working on the date the contract or other lease arrangement is cancelled in order to avoid an impairment in the retirement benefits of said employes, provided any payment accepted by the board for such service is based on a formula consistent with the provisions of KRS 61.552(7). *No payment made pursuant to this section shall be picked up by the employer, as described in KRS 61.560(4).*

Section 21. KRS 61.558 is amended to read as follows:

(1) Upon service retirement, a member of the Kentucky employes' retirement system may obtain credit for all or any part of the service otherwise creditable under the county employes retirement system, the teachers' retirement system, or in the service of the United States government for which service credit is not otherwise given, upon the payment by the member of such amount or amounts as are actuarially determined to be equal to the increased liability of the Kentucky employes' retirement system by virtue of such additional service credit. *No payment made pursuant to this section shall be picked up by the employer, as described in KRS 61.560(4).*

(2) The amount paid under this section shall be considered as accumulated contributions of the individual member.

(3) No person shall be allowed credit for the same period of service in more than one (1) of these three (3) retirement systems.

Section 22. KRS 61.575 is amended to read as follows:

(1) The members' contribution account shall be the account to which all members' contributions, *or contributions picked up by the employer after August 1, 1982,* and interest allowances as provided in KRS 61.510 to 61.692 shall be credited. From this account shall be paid the accumulated contributions of a member required to be returned to him upon withdrawal, or paid in the event of his death before retirement.

(2) Each member's contribution *or contribution picked up by the employer* shall be credited to the individual account of the contributing member.

(3) Each member on June 30 of each year shall have his individual account credited with interest at a rate determined by the board but not less than two per cent (2%) per annum on the accumulated contributions of the member on June 30 of the preceding fiscal year and the amounts so credited shall be transferred from the retirement allowance account.

(4) Upon the retirement of a member, his accumulated contributions shall be transferred from the members' contribution account to the retirement allowance account.

Section 23. KRS 61.625 is amended to read as follows:

If a member's employment has been terminated for a period of thirty (30) consecutive days or if the member has remained in a layoff, seasonal, emergency, temporary or part-time position for a period of thirty (30) consecutive days, he, if living, if not, his designated beneficiary, shall be paid, on demand, but not later than thirty (30) days thereafter, the amount of his accumulated contributions, *including the amount of any employe contributions picked up by the employer pursuant to KRS 61.560(4),* reduced by the amount of any retirement allowances previously received. Payments made under this section shall be in lieu of any other benefits due for such period of service under any of the provisions of KRS 16.505 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852, unless such period of service is regained as provided under KRS 61.552. *Payments of picked up employe contributions shall be subject to state and federal tax as appropriate.*

Section 24. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;

(2) "Board" means the board of trustees of the Kentucky retirement systems;

(3) "Employer" or "state police" means the bureau of state police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 16.541;

(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, *including employe contributions picked up after August 1, 1982 pursuant to KRS 16.545(4),* together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, *including employe contributions picked up after August 1, 1982 pursuant to KRS 16.545(4),* living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

(9) "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during such five (5) year period multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, *including employe contributions picked up after August 1, 1982 pursuant to KRS 16.545(4).* Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;

(11) "Retired member" means any member entitled to receive benefits under the provisions of KRS 16.510 to 16.652;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employe in accordance with the personnel policy of the bureau of state police;

(15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system or a member of the county employes retirement system covered by this section with twenty-five (25) or more years of service credit at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday. Members of the Kentucky employes retirement system covered by this section who have completed thirty (30) years of service, at least fifteen (15) of which are current, may declare their "normal retirement date" to be some date prior to their fifty-fifth birthday;

(16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;

(17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal social security act, who has not attained age twenty-two (22);

(18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;

(19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;

(20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;

(21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has twenty (20) years of service;

(22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535; and

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS chapter 18 as provisional full-time, probationary full-time and permanent full-time.

Section 25. KRS 16.541 is amended to read as follows:

(1) Any person who prior to July 1, 1976, left the state police or its predecessor in order to enter the armed forces of the United States and who is reemployed by the state police after the effective date of

the system is entitled to have credited as current service his period of service in such armed forces, not to exceed six (6) years, provided he applies for reinstatement within two (2) years of discharge, which must be honorable, or within two (2) years of a subsequent termination of any total disability, and, subject to the approval of the state police personnel board, is reemployed.

(2) Any person who prior to the effective date of the system left the state police or its predecessor in order to enter the armed forces of the United States and who was reemployed within two (2) years after his honorable discharge therefrom prior to the effective date of the system shall be entitled to have credited as service his period of service in the armed forces, not to exceed six (6) years.

(3) Any member upon completion of five (5) years of service shall receive current service for a maximum of four (4) years for his period of service in the armed forces of the United States, if his discharge therefrom is honorable and he has not been credited with such service under subsections (1) and (2) of this section provided he pays thirty-five percent (35%) of the cost of such service based on the formula adopted by the board. *This payment shall not be picked up, as described in KRS 16.545(4).*[~~; however,~~] Members who were taken prisoner by a hostile power at any time during their active military service shall receive current service credit without payment of the thirty-five percent (35%). The payment by the member shall be deposited to his individual member's account. The remaining sixty-five percent (65%) shall be paid by the state from funds appropriated specifically for such purpose and these payments shall be deposited to the retirement allowance account. If no funds are available in the special appropriation account the board shall not accept employe payments until such time funds are available in the account.

(4) Effective July 1, 1978, no veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for such pension in the future. Nothing in this section shall prohibit such purchase of credit where the military pension results from service primarily on inactive duty in a reserve component of the armed forces, or where the military pension is for a veteran sixty-five (65) years of age or older who is considered permanently and totally disabled.

Section 26. KRS 16.543 is amended to read as follows:

(1) Employe contributions shall be deducted from the creditable compensation of each member of the retirement system in the active employment of the bureau of state police of the department of justice as an officer as defined in KRS 16.520. *After August 1, 1982, employe contributions shall be picked up by the employer pursuant to KRS 16.545(4).* Service credit shall be allowed for each month such member receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.

(2) Contributions shall not be made and no service will be earned while on authorized leave except:

(a) A member shall be entitled to service credit in accordance with KRS 16.541; and

(b) A member on educational leave, approved by the department of personnel, who is receiving seventy-five percent (75%) or more of full salary, shall receive service credit and shall pay member contributions *or such contributions shall be picked up* in accordance with KRS 16.545 and his employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid *or picked up* during the period of educational leave shall be refunded.

(3) The retirement office, upon detection, shall refund erroneous employer and employe contributions made to the retirement system.

Section 27. KRS 16.560 is amended to read as follows:

(1) The member contribution account shall be the account to which all members' contributions, *or contributions picked up by the employer after August 1, 1982,* and interest allowances as provided in KRS 16.510 to 16.652 shall be credited; only funds from this account shall be used to return accumulated contributions of a member when required by reason of any provision of KRS 16.510 to 16.652.

(2) Each member's contribution *or contribution picked up by the employer* shall be credited to the individual account of the contributing member.

(3) Each member on June 30 of each year shall have his individual account credited with interest at a rate determined by the board but not less than two and one-half per cent (2 ½%) per annum on the accumulated contributions of the member on June 30 of the preceding fiscal year and the amounts so credited shall be transferred from the retirement allowance account. Notwithstanding the provisions of this subsection, a member who has ceased to make contributions to the system shall thereafter be credited with interest only for a period of years equal to his years of current service credit.

(4) Upon the retirement of a member, his accumulated contribution shall be transferred from the member's contribution account to the retirement allowance account.

(5) Included as a part of such member's contribution account shall be his accumulated contributions in the Kentucky employes retirement system, if any, transferred to this system.

Section 28. KRS 78.510 is amended to read as follows:

As used in KRS 78.520 to 78.852, unless the context otherwise requires:

(1) "System" means the county employes retirement system;

(2) "Board" means the board of trustees of the system as provided in KRS 78.780;

(3) "County" means any county or political subdivision or instrumentality, including school boards, or urban county government participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and provided the board is willing to accept such agency or corporation, the board being hereby granted the authority to determine the eligibility of such agency to participate;

(4) "School board" means any board of education participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and provided the board is willing to accept such agency or corporation, the board being hereby granted the authority to determine the eligibility of such agency to participate;

(5) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(6) "Employe" means every regular full-time appointed or elective officer or employe of a participating county. The term shall not, however, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 78.520 to 78.852;

(7) "Employer" means a county, the electorate of a county, or any authority of such county having the power to appoint or elect an employe to office or employment in such county;

(8) "Member" means any employe who is included in the membership of the system or any former employe whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employe, on and after July 1, 1958, for which creditable compensation is paid and employe contributions deducted except as otherwise provided in KRS 61.552(7), 61.555 and 78.530;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1958, for which creditable compensation was paid. An employe shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work;

(12) "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, *including employe contributions picked up after August 1, 1982 pursuant to KRS 78.610(4),* together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employe as a result of services performed for the employer, *including employe contributions picked up after August 1, 1982 pursuant to KRS 78.610(4).* In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five-year period multiplied by twelve (12). Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five-year period is less than forty-eight (48), one or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employe were calculated during the twelve (12) months period immediately preceding the member's effective retirement date, *and shall include employe contributions picked up after August 1, 1982 pursuant to KRS 78.610(4).* Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: 1,950 hours, 260 days, 52 weeks, 12 months, one year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth (65th) birthday of a member unless otherwise provided in KRS 78.520 to 78.852;

(19) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30;

(20) "Agency reporting official" means the person designated by the participating agency to file reports with the county employes retirement system;

(21) "Regular full-time positions" as used in subsection (6) of this section shall mean all positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are non-renewable;

(c) Temporary positions which are positions of employment with a participating agency for a period of time not to exceed twelve (12) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty, except in case of school bus drivers for school boards, in which event the school term average shall be eighty (80) hours of work per month in the performance of duty; and

(22) "Alternate participation plan" means a new method of participation in the system as provided for by KRS 78.530(3) which shall become effective July 1, 1973.

Section 29. KRS 78.605 is amended to read as follows:

(1) Upon service retirement, a member of the county employes' retirement system may obtain credit for all or any part of the service otherwise creditable under the Kentucky employes' retirement system, the teachers' retirement system, or in the service of the United States government for which service credit is not otherwise given, upon the payment by the member of such amount or amounts as are actuarially determined to be equal to the increased liability of the county employes' retirement system by virtue of such additional service credit. *Such payments shall not be picked up as described in KRS 78.610(4).*

(2) The amount paid under this section shall be considered as accumulated contributions of the individual member.

(3) No person shall be allowed credit for the same period of service in more than one (1) of these three (3) retirement systems.

Section 30. KRS 78.640 is amended to read as follows:

(1) The members' contribution account shall be the account to which all members' contributions, *or contributions picked up by the employer after August 1, 1982,* and interest allowances as provided in KRS 78.510 to 78.852 shall be credited. From this account shall be paid the accumulated contributions of a member required to be returned to him upon withdrawal, or paid in the event of his death before retirement.

(2) Each member's contribution *or contribution picked up by the employer* shall be credited to the individual account of the contributing member.

(3) Each member on June 30 of each year shall have his individual account credited with interest at a rate determined by the board but not less than two per cent (2%) per annum on the accumulated contributions of the member on June 30 of the preceding fiscal year and the amounts so credited shall be transferred from the retirement allowance account.

(4) Upon the retirement of a member, his accumulated contributions shall be transferred from the members' contribution account to the retirement allowance account.

Section 31. KRS 161.507 is amended to read as follows:

(1) An active contributing member of the teachers' retirement system may receive credit for active service rendered in the armed forces of the United States subject to regulations established by the board of trustees. Such service may be credited only if discharge was other than dishonorable. Service shall be considered as Kentucky teaching service, except that it may not be used for meeting the service requirements set forth in KRS 161.600(1)(a) or 161.661(1). A maximum of six (6) years of such service may be credited but in no case a greater number of years than the actual years of contributing service in Kentucky.

(2) A member having twenty (20) years or more of active duty in the military service, and who is qualified for regular federal retirement benefits based on such service, may not receive credit for any such service in the teachers' retirement system. This subsection shall apply to service presented for credit on July 1, 1975, and thereafter.

(3) A member receiving retirement credit for active duty in the armed services of the United States shall contribute to the retirement system an amount equal to thirty-five percent (35%) of the actuarial cost for each year of service so credited. *Such contributions shall not be picked up, as described in KRS 161.540(4).* In purchasing retirement credit for active duty in the armed services the latest years of service shall be considered first in allowing credit toward retirement. The board of trustees shall adopt a table of actuarial factors to be used in calculating the amount of contribution required for crediting such service.

Section 32. KRS 161.515 is amended to read as follows:

(1) For the purposes of this section, "out-of-state service" shall mean service in any state in a comparable position, which would be covered if in Kentucky.

(2)(a) A member in active contributing status who has been a contributing member of the retirement system for at least one full scholastic year, subsequent to the latest out-of-state service, may present for credit, service rendered out-of-state, not to exceed eight such years actually taught as a certified or licensed teacher, provided such member pays to the retirement system an amount equal to the current member contribution to the retirement system based on the first Kentucky salary of the member subsequent to the out-of-state service and in addition thereto interest at a rate to be set by the board of trustees on each annual contribution from the last day of the scholastic year in which the service was rendered to date of payment to the retirement system. *Such payments shall not be picked up as described in KRS 161.540(4).* For each year of which the retirement system shall accept the contribution and interest, one year of service credit shall be given. Such credit may not be used to meet the service requirements of KRS 161.525, 161.600 or 161.661 except as provided in subsection (2)(c) of this section. No credit shall be granted for service which has been or will be used in qualifying for annuity benefit payments from another retirement system financed wholly or in part by public funds.

(b) A member of the retirement system having teaching service in the elementary or secondary schools operated by the United States overseas or in this country, or in a public college or university in Kentucky, not included in the teachers' retirement system of the state of Kentucky may present such service for credit in the retirement system on the same basis as provided above for out-of-state service credit, however, no such service may be presented which shall be used as a basis for retirement benefits in any program supported wholly or in part by such public institution or governmental agency. Such service when added to service credited under subsection (2)(a) of this section shall not exceed a total of eight years service credit.

(c) A member having service referred to in subsection (2)(a) or (2)(b) of this section may elect to use such service for meeting the requirements of KRS 161.600(1)(b) by making an additional contribution to the state accumulation fund equal to the regular member contributions for each year so used. *Such payments shall not be picked up as described in KRS 161.540(4).* The salary base to be used in determining this additional contribution shall be the final average salary which is used in calculating the member's regular retirement annuity.

(3) Members entering the teachers' retirement system for the first time, July 1, 1976, and thereafter, shall not receive credit for service defined in subsections (2)(a) and (2)(c) above in excess of one year of credit for each two years of Kentucky service in a covered position or eight years, whichever is the lesser number.

Section 33. KRS 161.565 is amended to read as follows:

Notwithstanding any other provisions of KRS Chapter 161, the contribution of university faculty members may be reduced by amounts up to two and two hundred fifteen thousandths percent (2 215/1000%) if amounts sufficient to replace the reduction are authorized and contributed to the teachers' retirement system by the board of regents of the employing university. *After August 1, 1982, any contribution by a university faculty member shall be picked up by the employing university pursuant to KRS 161.540(4).*

Section 34. KRS 161.595 is amended to read as follows:

(1) Upon service retirement, a member of the teachers' retirement system may obtain credit for all or any part of the service otherwise creditable under the Kentucky employes' retirement system, the county employes' retirement system, or in the service of the United States government for which service credit is not otherwise given, upon the payment by the member of such amount or amounts as are actuarially determined to be equal to the increased liability of the teachers' retirement system by virtue of such additional service credit. *Such payments shall not be picked up, as described in KRS 161.540(4).*

(2) The amount paid under this section shall be considered as accumulated contributions of the individual member.

(3) No person shall be allowed credit for the same period of service in more than one (1) of these three (3) retirement systems.

(4) An active member of the teachers' retirement system may obtain service credit for all or any part of full-time teaching service that was performed in a Kentucky correctional institution prior to 1956, upon the payment by the member of the required percentage based on the salary received for the initial year of employment after 1956 in a position covered by the teachers' retirement system with interest at the rate of six percent (6%) compounded annually from the date of the pre-1956 service, and by depositing in the state accumulation fund an amount equal to the above sum. *Such payments shall not be picked up, as described in KRS 161.540(4).* Member payments for this service must be made prior to July 1, 1982.

Section 35. KRS 161.705 is amended to read as follows:

Any member of the teachers' retirement system, or the employer of member, or both, may make voluntary contributions of four per cent (4%) or more of the member's annual compensation to the retirement system for the benefit of the member. *Such contributions shall not be picked up, as described in KRS 161.540(4).* Such contributions shall be invested as provided in KRS 161.430. Separate member accounts shall be maintained for voluntary contributions under rules and regulations enacted by the board of trustees.

Section 36. KRS 67A.320 is amended to read as follows:

(1) Any urban-county government in which there existed a municipality which had in effect an employes' pension fund prior to its merger into the urban-county form of government shall provide by comprehensive plan or ordinance for the maintenance of the said pension fund for those employes covered by the said pension fund by a levy of a tax of not exceeding five cents ($.05) on each one hundred dollars' value of taxable property in the urban area of the urban-county government, as established in the comprehensive plan or by ordinance, the proceeds of that tax to be paid to the pension fund in cash, and shall in each case provide, by such tax or otherwise, for the payment to the pension fund in each month of the sum necessary

to maintain such fund in accordance with the actuarial principles established by the actuarial studies described hereafter, and may assess monthly such amount or percent of the salary of the employes as may be equitably determined on a fair actuarial basis, and in any case not in excess of eight percent (8%) of the monthly salary of each employe unless a higher rate was charged prior to the merger of governments, in which case the higher rate may be charged, the assessment to be deducted from the employes' salaries *or picked up pursuant to subsection (2) of this section* and paid in cash into the pension fund. Within six (6) months after the effective date of the urban-county form of government, or within six (6) months after June 21, 1974, whichever shall be later, the trustees of the board shall, at the expense of the urban-county government, provide for the performance of an actuarial study, which study shall be completed within six (6) months thereafter, and which study shall describe the amounts necessary to be contributed by the urban-county government or other sources to fund on an actuarially sound basis the benefits promised or described in the said fund, including any payments required to bring said fund to an actuarially sound position in the event that it was not so at the time of the performance of the study, in which latter event the legislative body shall also determine a reasonable period over which such additional funding shall be made, which period shall not exceed thirty (30) years. A similar study shall be arranged by the board at the cost of the urban-county government at least once in every five-year period thereafter. In the event that fund created by this section is extended to cover employes not described in the first sentence hereof, the actuarial study shall determine the required payments so as to keep the expanded fund on an actuarially sound basis, and the urban-county government shall maintain such fund as set out herein, and shall assess against the additional covered employes the same monthly contribution as is required for other government employes.

(2) *The urban-county government shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, the urban-county government shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement fund satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. The urban-county government shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the urban-county government to the fund. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 67A.320 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.*

(3) The pick up of employe contributions by the employer shall not be construed to reduce the final salary or the average salary upon which the employe retirement benefit is based.

(4) There is hereby created a board for the existing employes pension fund and trustees of that board. Trustees from the pension fund board shall consist of the mayor, four (4) members of the legislative body of the urban-county government selected by the legislative body, the secretary of the department of finance, the director of the division of personnel, and three (3) civil service employes to be elected to the board by those employes covered by the employes' pension fund. In the event that there is no position in the urban-county government denominated secretary of the department of finance and/or director of the division of personnel, the appointed office of the urban-county government exercising the functions most closely resembling such office shall serve as trustee.

(5)[~~(3)~~] Temporary employes appointed without examination shall not be compelled to contribute to any pension fund and shall not be eligible to benefits.

(6)[~~(4)~~] In no year shall the contribution by the urban-county government to the pension fund, in the manner provided in this section, be less than the total amount assessed upon and deducted from the salary of the employes.

(7)[~~(5)~~] The trustees of the pension fund shall, at least once every three (3) months, report in writing to the mayor the receipts, expenditures and financial status of the pension fund, stating the places of deposit of funds, or the character of investments made, and the mayor shall cause copies of the report to be posted in at least three (3) places where urban-county employes frequent and report.

Section 37. KRS 67A.510 is amended to read as follows:

(1) Each active member shall contribute a sum equal to not less than eight percent (8%) nor more than ten percent (10%) of current salary, to be determined by the legislative body of the urban county government. The director of finance of the government is hereby authorized to deduct such amount from the salary of each active member in semimonthly installments. This contribution shall be made as a deduction from salary, notwithstanding that the salary paid in cash to such member may be reduced thereby below the established statutory rate. Every member of the fund shall be deemed to consent and agree to the deduction from

salary as herein provided, and shall receipt for his full salary, and payment to such member of salary less such deduction shall constitute a full and complete discharge and acquittance of all claims and demand whatsoever for the services rendered by such member during the period covered by such payment, except as to the benefits herein provided. *After August 1, 1982 employe contributions shall be picked up by the urban-county government pursuant to subsection (2) of this section.*

(2) The urban-county government shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, the urban-county government shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement fund satisfied prior to August 1, 1982 by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. The urban-county government shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the urban-county government to the fund. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 67A.360 to 67A.690 in the same manner and to the same extent as employe contributions made prior to August 1, 1982.

Section 38. KRS 67A.360 is amended to read as follows:

Words and phrases, wherever used in KRS 67A.360 to 67A.690, unless a different meaning is clearly indicated by the context, shall have the following meanings:

(1) "Fund" shall mean the "Policemen's and Fire fighter's Retirement Fund of the .... Urban-County Government";

(2) "Government" shall mean the governmental unit of any urban-county government in the Commonwealth of Kentucky, including the governmental unit of any former urban-county government which changes its form of government, class or other status;

(3) "Department" shall mean the police department or the fire department of a government;

(4) "Board" shall mean the board of trustees provided in KRS 67A.360 to 67A.690 as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund;

(5) "Member" shall mean any member of the police or fire department who is included in the membership of the fund;

(6) "Service" shall mean actual employment in a department of a government, or a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government, for salary or compensation, or service otherwise creditable as herein provided;

(7) "Prior service" shall mean service rendered prior to the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;

(8) "Membership service" shall mean service rendered on or after the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;

(9) "Total service" shall mean prior service, membership service, and military service;

(10) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be not less than three percent (3%) per annum, compounded annually;

(11) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder;

(12) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease;

(13) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member, *including employe contributions picked up after August 1, 1982 pursuant to KRS 67A.510(2)*;

(14) The masculine pronoun, wherever used, shall include the feminine pronoun; and widow shall include widower;

(15) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following;

(16) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely;

(17) "Minor child" includes, as applicable, a child under the age of twenty-three (23) still engaged in full-time education; and

(18) "Mayor," "director of finance," "director of personnel" shall mean the persons holding the office or job most closely resembling the ordinary meaning of such terms, in the event that a government does not have an office so described.

Section 39. KRS 67A.400 is amended to read as follows:

(1) Each person becoming a member on the date of establishment shall be entitled to full credit for all service rendered prior to such date. Each person becoming a member after the date of establishment shall be entitled to credit after such date, provided contributions are made *or, after August 1, 1982, picked up pursuant to KRS 67A.510(2)* for all such subsequent service. Total service shall include prior service and membership service.

(2) The following types of service shall be eligible for service credit:

(a) Service as a full-time member of a department of the government;

(b) Service in a civilian or other capacity in the service of the government, commonwealth of Kentucky, or the federal government, while on approved leave of absence from a department, subject to maximum credit for such service of one (1) year;

(c) Service in any branch of the armed forces of the United States during a period of national emergency while on leave of absence from a department, provided that such leave-of-absence-service shall not exceed five (5) years, and that such member shall re-enter the service of a department of the government within a period of six (6) months following the date of separation other than by dishonorable discharge from such service; and

(d) All service rendered in a civilian capacity as provided in subsection (3) of KRS 67A.390.

(3) In the computation of service credit, nine (9) months or more of service during a year shall entitle a member for one (1) year of service; six (6) to nine (9) months of service shall constitute three-quarters (¾) of a year; three (3) to six (6) months, one-half (½) year; less than three (3) months, one-quarter (¼) of a year.

Section 40. KRS 67A.490 is amended to read as follows:

(1) Upon death of a member, occurring while in active service, if no widow's annuity, children's annuities or dependent parent annuities are payable, the designated beneficiary of the member or his estate shall be entitled to a death benefit equal to the total contributions made by the member, *including the amount of any employe contributions picked up by the urban-county government pursuant to KRS 67A.510(2),* without interest, or three hundred dollars ($300), whichever is greater.

(2) Upon death of a retired member, if no widow's annuity, children's annuities or dependent parent annuities shall be due and payable, a death benefit shall be paid to the designated beneficiary or estate of the member, equal to the excess, if any, of the total contributions made by the member, *including those picked up pursuant to KRS 67A.510(2),* to this fund to the date of retirement, without interest, over the total annuity payments received by the member. The minimum payment in such case shall be three hundred dollars ($300). If a widow's annuity, children's annuities or dependent parent annuities are payable after the death of the retired member, the amount of such death benefit, if any, shall be determined upon termination of annuity payments to all survivors of the member, whether such termination occurs by death, remarriage or other cause.

Section 41. KRS 67A.500 is amended to read as follows:

(1) Upon withdrawal from service prior to retirement, a member shall be entitled to receive a refund of the amount of contributions made by the member *or picked up by the urban-county government pursuant to KRS 67A.510(2)* after the date of establishment, without interest. *Payments of picked up employe contributions shall be subject to state and federal tax as appropriate.*

(2) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six (6) months after receipt of an application from a member.

(3) Any member who has received a refund shall be considered a new member upon subsequent re-employment if such person qualifies for membership under the provisions hereof. After the completion of at least five (5) years of continuous membership service following his latest re-employment, such member shall have the right to make a repayment to the system of the amount or amounts previously received as refund, including six percent (6%) interest from the dates of refund to the date of repayment. Upon the restoration of such refunds, as herein provided, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member

shall include all refunds received by a member prior to the date of his last withdrawal from service and shall be made in a single sum. *Such repayments shall not be picked up by the urban-county government.*

(4) Any member who has received, or who is entitled to receive, a refund, but who within six (6) months of becoming entitled to receive such refund, qualifies for membership under the provisions of a fund in effect in another government, or city of the second class, adopted pursuant to law, shall have the option of paying his refund into such other fund, in which event he shall be deemed a member of such other fund and his account therein shall be credited with all contributions, *including those picked up pursuant to KRS 67A.510(2),* and service under his original fund.

Section 42. KRS 67A.580 is amended to read as follows:

(1) An adequate system of accounts and records shall be established and maintained for the fund that will reflect fully the requirements of the provisions of KRS 67A.360 to 67A.690. This system shall be integrated, to the extent possible with the accounts, records, and procedures of the government to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.

(2) All assets of the fund shall be credited according to the purposes for which they are held in the following designated reserve accounts:

(a) Members' Contribution Reserve. The amounts contributed by the members, *including those picked up pursuant to KRS 67A.510(2),* shall be credited to this reserve, together with regular interest thereon as herein provided. An individual account shall be maintained for each member, to which shall be credited the amounts of his contributions *or amounts picked up by the urban-county government.* Upon the granting of a service retirement annuity, disability annuity, or survivor's annuity or benefit, the accumulated contributions to the credit of the member concerned shall be transferred from this reserve to the retirement reserve. Refunds and death payments representing member's contributions shall be charged to this reserve.

(b) Employer's Contribution Reserve. The amounts contributed by the government under the provisions hereof, for service retirement annuity, disability retirement annuity, and benefits to survivors covering membership service and prior service, shall be credited to this reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, an amount representing the excess of the actuarial value of the annuity, or benefit over the accumulated contributions of the member, shall be transferred from this reserve to the retirement reserve.

(c) Retirement Reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, the accumulated contributions of the member, *including those picked up pursuant to KRS 67A.510(2),* and an amount representing the excess of the actuarial value of the annuity or benefit over such accumulated contributions, shall be transferred to this reserve from the member's contribution reserve and employer's contribution reserve, respectively. All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All payments on account of any annuity made by the fund shall be charged to this reserve. Any excess balance in this reserve, as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the government's contributions for membership service for the fiscal years next following the date of such valuation. Any deficiency in this reserve shall be removed by an increase in the amount of government's contributions for future membership service.

Section 43. KRS 67A.610 is amended to read as follows:

Each member shall, by virtue of the payment of contributions to the fund, receive a vested interest in such contributions, and in consideration of such vested interest, shall be conclusively deemed to undertake and agree to pay the same and to have the amounts deducted from his salary as herein provided. *After August 1, 1982, employe contributions shall be picked up by the urban-county government pursuant to KRS 67A.510(2).*

SECTION 44. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Each local government or local government agency which has a pension plan which is qualified under Section 401(a) of the Internal Revenue Code shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employe contributions made to the respective retirement system pursuant to KRS 70.582, 79.080, 96.180, 90.400, 90.410, 95.290, 95.580, 95.627, 95.768, 95.769, or 95.867 for all compensation earned after August 1, 1982, or after qualification pursuant to Section 401(a) of the Internal Revenue Code, whichever is later, and all contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each local government or local government agency shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employe until such time as the contributions are distributed or made available to the employe. The picked up employe contribution shall satisfy all obligations to the retirement fund satisfied prior to August 1, 1982, or later

date, as the case may be, by the employe contribution, and the picked up employe contribution shall be in lieu of an employe contribution. The local governments or local government agencies shall pay these picked up employe contributions from the same source of funds which is used to pay earnings to the employe. The employe shall have no option to receive the contributed amounts directly instead of having them paid by the local government or local government agency to the fund. Employe contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 70.582, 79.080, 96.180, 90.400, 90.410, 95.290, 95.580, 95.627, 95.768, 95.769 or 95.867 in the same manner and to the same extent as employe contributions made prior to August 1, 1982, or later date of pick up, as the case may be.

(2) The pick up of employe contributions by the employer shall not be construed to reduce the final salary or the average salary upon which the employe retirement benefit may be based in any of the retirement systems covered by this section.

Section 45. KRS 70.594 is amended to read as follows:

In the event any member of the police department shall leave the employment of the department there shall be returned to him within thirty (30) days thereafter all funds which he shall have contributed to the pension fund, *including those contributions picked up by the employer pursuant to Section 44 of this Act,* but such employe leaving the employment of the department shall not be entitled to receive any portion of the funds contributed by the fiscal court to the pension fund.

Section 46. KRS 90.400 is amended to read as follows:

(1) Any city of the second class adopting a civil service plan under KRS 90.310 shall provide by ordinance for the creation and maintenance of a pension fund for employes under civil service by the levy of a tax of not exceeding five cents or such rate as necessary to permit the city to match the employes' current contributions to the fund, on each one hundred dollars value of taxable property in the city, the proceeds of that tax to be paid to the pension fund in cash, and may assess monthly such amount or percent of the salary of the employes as may be equitably determined on a fair actuarial basis, the assessment to be deducted from the employes' salaries and paid in cash into the pension fund.

(2) The city may make current contributions to the fund on an actuarially funded basis, toward the annuities and benefits herein provided. These contributions shall be equal to the sum of the following:

(a) An annual amount resulting from the application of a rate percent of salaries of active members, representing the present value of the actuarial reserve requirements for membership service, for service retirement annuity, disability retirement annuity, and annuities to surviving spouses and children, and the one-year term premium for the city's liability for death benefits, after applying the contribution by the active members. Such rate percent shall be fixed by the board of city commissioners every five years after an actuarial survey of the fund, and shall be in effect for a period of at least five years.

(b) An amount resulting from the application of a rate percent of the salaries of active members which will provide each year regular interest on the remaining liability for prior service.

(3) The city may create a board for the pension fund and designate trustees of that board, and may fix the powers of the trustees, determine the eligibility of employes or their dependents to a pension or other benefit, and may provide a monthly allowance for employes eligible for a pension.

(4) Temporary employes appointed without examination shall not be compelled to contribute to any pension fund and shall not be eligible to benefits.

(5) In no year shall the contribution by the city to the pension fund, in the manner provided in this section, be less than the total amount assessed upon and deducted from the salary of the employes.

(6) The trustees of the pension fund shall, at least once every three months, report in writing to the mayor the receipts, expenditures and financial status of the pension fund, stating the places of deposit of funds, or the character of investments made, and the mayor shall cause copies of the report to be posted in at least three places where city employes frequent and report.

(7) When any city of the second class adopts an ordinance under this section for the creation of a pension fund and *picks up employe contributions pursuant to Section 44 of this Act, or* accepts from its employes a portion of their wages and levies a tax therefor, an inviolable contract shall be created between the city as employer and its employes, and the city and its employes shall continue to operate under KRS 90.310 to 90.410 and the adopting ordinance. A repeal of that ordinance by the city shall in no wise affect such employes unless by the mutual consent of the city and an employe or employes.

Section 47. KRS 90.410 is amended to read as follows:

(1) Any city of the third class adopting a civil service plan under KRS 90.310 may provide by ordinance for the creation and maintenance of a pension fund for the benefit of employes under civil service by the levy of a tax of not exceeding five cents (5¢) on each one hundred dollars ($100) value of taxable property in the city, and may assess monthly such amount or per cent of the salary of employes as may be equitably determined on a fair actuarial basis, not to exceed five per cent (5%) of the monthly salary of any employe.

(2) The city may create a board for the pension fund and designate trustees of that board, and may fix the powers of trustees, determine the eligibility of employes or their dependents to a pension or other benefit, and may provide a monthly allowance for employes eligible for a pension, not to exceed one-half (½) of the monthly salary of any employe at the time of his retirement.

(3) When any city of the third class adopts an ordinance under this section for the creation of a pension fund *picks up employe contributions pursuant to Section 44 of this Act, or* and accepts from its employes a portion of their wages and levies a tax therefor, an inviolable contract shall be created between the city as employer and its employes, and the city and its employes shall continue to operate under KRS 90.310 to 90.410 and the adopting ordinance. A repeal of that ordinance by the city shall in no wise affect such employes unless by the mutual consent of the city and an employe or employes.

Section 48. KRS 95.620 is amended to read as follows:

(1) Except as provided in subsections (2), (3) and (4) of this section, the policemen's and fire fighter's pension fund in cities of the third or fourth class shall be held and distributed for the purpose of paying pensions and benefits, and for no other purpose.

(2) The board of trustees of the pension fund may refund a member's contributions, *including contributions picked up by the employer pursuant to Section 44 of this Act,* upon that member's withdrawal from service prior to qualifying for pension. The member shall be entitled to receive a refund of the amount of contributions made by the member, *including contributions picked up by the employer pursuant to Section 44 of this Act,* after the date of establishment, without interest.

(3) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six months after receipt of an application from a member.

(4) Any member who has received a refund shall be considered a new member upon subsequent re-employment if such person qualifies for membership under the provisions hereof. After the completion of at least five years of continuous membership service following his latest re-employment, such member shall have the right to make a repayment to the system of the amount or amounts previously received as refund, including six per cent interest from the dates of refund to the date of repayment. *Such repayments shall not be picked up by the employer pursuant to Section 44 of this Act.* Upon the restoration of such refunds, as herein provided, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service and shall be made in a single sum.

Section 49. KRS 95.783 is amended to read as follows:

In the event that the provisions of KRS 95.761 to 95.785 are accepted and adopted by the legislative body of a city of the fourth class by ordinance, as herein provided, the repeal of such ordinance shall not become effective unless adopted by the unanimous vote of the duly elected members of such legislative body. In the event a repeal ordinance is adopted by such legislative body, all moneys or property belonging to the policemen's and fire fighter's pension fund at the time of the repeal of the said adoption ordinance shall be dissolved or liquidated by the board of trustees of said policemen's and fire fighter's pension fund and distributed by said board in the following manner: Within sixty (60) days of adoption by said legislative body of said repeal ordinance, the said board of trustees shall proceed with the liquidation of said pension fund as follows: All unexpended moneys appropriated to said pension fund out of the said city's general fund to the policemen's and fire fighter's pension fund by the said legislative body of such city and at the time of adoption of a repeal ordinance shall revert back to the city's general fund. All other unexpended moneys or property which has come into the said pension fund's hands shall be liquidated by said board of trustees in the following manner: All unexpended moneys in the said pension fund which accumulated thereto by *pick up of employe contributions by the employer pursuant to Section 44 of this Act or* assessments from policemen's and fire fighter's salaries and gifts, or accumulated thereto in any manner except appropriations from the said city's general fund, shall revert back to the active or retired policemen and fire fighters and dependents who have qualified under KRS 95.761 to 95.785 in such city. In the division to the beneficiaries, the board of said trustees shall use in the division of said fund the per centum of the present salaries of such members. After all disbursements have been made of said fund by the board of trustees, the said board of trustees shall file, as their last act, a complete report of same with said legislative body within thirty (30) days, and such report shall be kept in the office of the city clerk as other city records.

Section 50. KRS 95.851 is amended to read as follows:

Words and phrases, used in KRS 95.852 to 95.884, unless a different meaning is clearly indicated by the context, shall have the following meanings:

(1) "Fund" shall mean the "Policemen's and Fire Fighters' Retirement Fund of the City of ....."

(2) "City" shall mean any city of the second class in the state of Kentucky, or city of the second class which may subsequently attain first-class status.

(3) "Department" shall mean the police department or the fire department of a city.

(4) "Board" shall mean the board of trustees provided for herein as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund.

(5) "Member" shall mean any member of the police or fire department who is included in the membership of the fund.

(6) "Service" shall mean actual employment in a department of a city for salary or compensation, or service otherwise creditable as herein provided.

(7) "Prior service" shall mean service rendered prior to the date of establishment.

(8) "Membership service" shall mean service rendered on or after the date of establishment.

(9) "Total service" shall mean prior service, membership service, and military service.

(10) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be three percent (3%) per annum, compounded annually.

(11) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder.

(12) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease.

(13) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member, *and includes employe contributions picked up by the employer pursuant to Section 44 of this Act.*

(14) The masculine pronoun, wherever used, shall include the feminine pronoun; also, widow shall include widower.

(15) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following.

(16) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.

Section 51. KRS 95.865 is amended to read as follows:

(1) Upon death of a member, occurring while in active service, if no widow's annuity or children's annuities are payable, the designated beneficiary of the member or his estate shall be entitled to a death benefit equal to the total contributions made by the member, *including those employe contributions picked up by the employer pursuant to Section 44 of this Act,* without interest, or three hundred dollars ($300), whichever is greater.

(2) Upon death of a retired member, if no widow's annuity or children's annuities shall be due or payable, a death benefit shall be paid to the designated beneficiary or estate of the member, equal to the excess, if any, of the total contributions made by the member to this fund to the date of retirement, *including those employe contributions picked up by the employer pursuant to Section 44 of this Act,* without interest, over the total annuity payments received by the member. The minimum payment in such case shall be three hundred dollars ($300). If a widow's annuity or children's annuities are payable after the death of the retired member, the amount of such death benefit, if any, shall be determined upon termination of annuity payments to all survivors of the member, whether such termination occurs by death, remarriage or other cause.

Section 52. KRS 95.866 is amended to read as follows:

(1) Upon withdrawal from service prior to retirement, a member shall be entitled to receive a refund of the amount of contributions made by the member after the date of establishment, *including those employe contributions picked up by the employer pursuant to Section 44 of this Act,* without interest.

(2) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six (6) months after receipt of an application from a member.

(3) Any member who has received a refund shall be considered a new member upon subsequent re-employment if such person qualifies for membership under the provisions hereof. After the completion of at least five (5) years of continuous membership service following his latest re-employment, such member shall have the right to make a repayment to the system of the amount or amounts previously received as refund, including six per cent (6%) interest from the dates of refund to the date of repayment. *Such repayment shall not be picked up by the employer pursuant to Section 44 of this Act.* Upon the restoration of such refunds, as herein provided, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service and shall be made in a single sum.

Section 53. KRS 95.874 is amended to read as follows:

(1) An adequate system of accounts and records shall be established and maintained for the fund that will reflect fully the requirements of the provisions of KRS 95.851 to 95.991. This system shall be integrated,

to the extent possible with the accounts, records, and procedures of the city to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.

(2) All assets of the fund shall be credited according to the purposes for which they are held in the following designated reserve accounts:

(a) Members' Contribution Reserve. The amounts contributed by the members, *including these employe contributions picked up by the employer pursuant to Section 44 of this Act,* shall be credited to this reserve, together with regular interest thereon as herein provided. An individual account shall be maintained for each member, to which shall be credited the amounts of his contributions. Upon the granting of a service retirement annuity, disability annuity, or survivor's annuity or benefit, the accumulated contributions to the credit of the member concerned shall be transferred from this reserve to the retirement reserve. Refunds and death payments representing member's contributions shall be charged to this reserve.

(b) Employer's Contribution Reserve. The amounts contributed by the city under the provisions hereof, for service retirement annuity, disability retirement annuity, and benefits to survivors covering membership service and prior service, shall be credited to this reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, an amount representing the excess of the actuarial value of the annuity, or benefit over the accumulated contributions of the member, shall be transferred from this reserve to the retirement reserve.

(c) Retirement Reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, the accumulated contributions of the member and an amount representing the excess of the actuarial value of the annuity or benefit over such accumulated contributions, shall be transferred to this reserve from the member's contribution reserve and employer's contribution reserve, respectively. All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All payments on account of any annuity made by the fund shall be charged to this reserve. Any excess balance in this reserve, as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the city's contributions for membership service for the fiscal years next following the date of such valuation. Any deficiency in this reserve shall be removed by an increase in the amount of city's contributions for future membership service.

Section 54. KRS 95.877 is amended to read as follows:

Each member shall, by virtue of the payment of contributions to the fund *or pick up of employe contributions by the employer pursuant to Section 44 of this Act,* receive a vested interest in such contributions, and in consideration of such vested interest, shall be conclusively deemed to undertake and agree to pay the same and to have the amounts deducted from his salary as herein provided, *or to have such contributions picked up by the employer pursuant to Section 44 of this Act.*

Representative Worthington moved that the House concur in the Senate Committee Substitute to **HB 411.** Agreed.

Representative Worthington moved that **HB 411,** by way of Senate Committee Substitute, be passed.

On the roll call the vote was yeas 83-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 3-Deskins, Moore, Tobin.

HB 411, by way of Senate Committee Substitute, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 411,** by way of Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 513, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 513** is as follows:

Amend printed copy of **HB 513** as follows: page 6, line 11, by deleting the word "greater" and substituting in lieu thereof the word "lesser."

Representative Clarke moved that the House concur in Senate Amendment No. 1 to **HB 513.** Agreed.

Representative Clarke moved that **HB 513,** as amended by the Senate, be passed.

On the roll call the vote was yeas 49-Arnold, Bendl, Bennett, Blandford, Blevins, Bronger, Brown, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Donnermeyer, Dunn, Foster, Hancock, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, LeMaster, Lile, List, Long, Lundergan, Mann, McBee, Nett, Noe, Overstreet, Perkins, Petty, Priddy, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Tobin, Van Horn. Nays 20-Bruce, Burnette, Clapp, Deskins, Ellington, Endicott, Farrow, Ford, Fryman, Harper, Layman, Lefevers, Little, Maggard, Moore, Pearman, Rattliff, Seum, White, Worthington.

HB 513, as amended by the Senate, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 513,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 149, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 149** is as follows:

Amend printed copy of **HB 149** as follows: on page 1, line 13, after "*sum of*" delete the remainder of the line and insert in lieu thereof: "*ten dollars ($10.00) for all offenses for which imprisonment may be imposed*"

page 1, line 14, delete line 14

page 1, line 15, delete "*ors under KRS Chapter 189*"

Representative Seum moved that the House concur in the Senate Amendment No. 1 to **HB 149.** Agreed.

Representative Seum moved that **HB 149,** as amended by the Senate, be passed.

On the roll call the vote was yeas 81-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Fsoter, Freibert, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Yates. Nays 3-Clarke, Deskins, Worthington.

HB 149, as amended by the Senate, was passed and the title agreed to.

Representative Seum moved that the vote by which **HB 149,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 148, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 148** is as follows:

Amend printed copy of **HB 148** as follows: page 12, line 6, after "*vehicles*" insert "*owned and*" and after "*used*" insert "*by the seller or distributor*"

Representative Seum moved that the House concur in Senate Amendment No. 1 to **HB 148.** Agreed.

Representative Seum moved that **HB 148,** as amended by the Senate, be passed.

On the roll call the vote was yeas 84-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, Lefevers, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington, Yates. Nays 5-Barrows, Clarke, Deskins, Moberly, Schmidt.

HB 148, as amended by the Senate, was passed and the title agreed to.

Representative Seum moved that the vote by which **HB 148,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 379, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 379** is as follows:

Amend printed copy of **HB 379** as follows: on page 1, line 7, after "*imprisoned*" insert "*or a*" and delete the bracket before "[~~jury~~]" and delete the strike through from the remainder of the line

page 1, lines 8-18, delete the strike through of lines 8-18 and delete the bracket after "[~~provides~~]" on line 18

Representative Farrow moved that the House concur in Senate Amendment No. 1 to **HB 379.** Agreed.

Representative Farrow moved that **HB 379,** as amended by the Senate, be passed.

On the roll call the vote was yeas 79-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Holbrook, Holloway, R. Jones, T. Jones, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, White, Worthington, Yates. Nays 10-Barrows, Craddock, Deskins, Hines, Kenton, Nett, Perkins, Schmidt, B. Smith, Van Horn.

HB 379, as amended by the Senate, was passed and the title agreed to.

Representative Farrow moved thar the vote by which **HB 379,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **HB 456, HB 295** by way of Senate Committee Substitute and Senate Amendments, **HB 503** with Senate Amendment, **HB 724** with Senate Amendment, **HB 746** with Senate Amendments, and **HB 810** by way of Senate Committee Substitute and Senate Amendments.

Report on Enrolled Bills

The Committee on Enrollment reported **SR 45, SB 77, SB 115, SB 116, SB 117, SB 127, SB 152, SB 167, SB 172, SB 174, SB 218, SB 228, SB 267, SB 280, SB 300, SB 302, SB 329, SB 341, SB 374,** and **SB 380** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:50 a.m.)

Orders of the Day (continued)

HB 188, with Senate Committee Substitute and Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 188** is as follows:

HB 188, AN ACT relating to liability of persons donating items of food to nonprofit organizations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Apparently wholesome food" means food that meets all standards of quality established by local, county, state, and federal agricultural and health laws and regulations, even though the food is not readily marketable due to appearance, age, freshness, grade, size, surplus, or other condition, but does not include canned goods that are leaking, swollen, dented on a seam, or no longer airtight.

(2) "Nonprofit organization" means an incorporated or unincorporated organization that has been established and is operating for religious, charitable, or educational purposes and that does not distribute any of its income to its members, directors, or officers.

(3) "Intentional misconduct" means conduct that the person acting knows is harmful to the health or well-being of another person.

(4) "Donate" means to give without requiring anything of monetary value from the donee.

(5) "Person" means an individual, corporation, partnership, organization, or association.

SECTION 2. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

(1) A person who donates apparently wholesome food to a nonprofit organization for distribution to the needy is not subject to civil or criminal liability that arises from the condition of the food, unless an injury or death results from an act or omission of the donor which constitutes gross negligence, recklessness, or intentional misconduct.

(2) A nonprofit organization that distributes apparently wholesome food to the needy at no charge and that substantially complies with applicable local, county, state, and federal laws and regulations regarding the storage and handling of food for distribution to the public is not subject to civil or criminal liability that arises from the condition of the food, unless an injury or death results from an act or omission of the organization that constitutes gross negligence, recklessness, or intentional misconduct.

(3) This Act does not create any liability.

Section 3. Whereas the need for increased availability of food to nonprofit organizations for distribution to the needy is great, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the governor.

Representative Mann moved that the House concur in the Senate Committee Substitute to **HB 188.** Agreed.

Senate Amendment No. 1 to **HB 188** is as follows:

Amend printed copy of Senate Committee Substitute to **HB 188** as follows: on page 1, amend title by deleting "of persons donating items of food to nonprofit organizations" and inserting in lieu thereof "for damages resulting from the condition of certain donated food"

Representative Mann moved that the House concur in the Senate Amendment No. 1 to **HB 188.** Agreed.

Representative Mann moved that **HB 188,** by way of Committee Substitute as amended, be passed.

On the roll call the vote was yeas 81-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Guenthner, Haering, Hancock, Handy, Harper, Head, Hines, Holloway, Johnson, R. Jones, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Worthington, Yates. Nays 5-Barrows, Deskins, Fryman, T. Jones, Van Horn.

HB 188, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Mann moved that the vote by which **HB 188,** by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 42, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 42** is as follows:

Amend printed copy of **HB 42** as follows: on page 2, after line 11, by inserting the following language:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

Prior to the letting of any contract by an airboard for any land or property, easements, privileges or facilities, for any purposes other than direct air navigation services, the proposed use of such lands or property, easements, privileges or facilities shall be in compliance with local zoning and land use regulations."

Representative McBee moved that the House concur in Senate Amendment No. 1 to **HB 42.** Agreed.

Representative McBee moved that **HB 42,** as amended by the Senate, be passed.

On the roll call the vote was yeas 57-Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Guenthner, Hancock, Head, Hines, Holbrook, T. Jones, Kenton, Layman, Lefevers, Lile, List, Little, Lundergan, Mann, McBee, Morris, Nett, Noland, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, White, Yates. Nays 28-Allen, Arnold, Barrows, Burnette, Clapp, Clarke, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Haering, Heleringer, R. Jones, Long, Maggard, McNutt, Moberly, Moore, Noe, O'Brien, Overstreet, Riner, Robinson, Turner, Van Horn, Worthington.

HB 42, as amended by the Senate, was passed and the title agreed to.

Representative McBee moved that the vote by which **HB 42,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 215, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 215** is as follows:

Amend printed copy of **HB 215** as follows: on page 1, line 9, after the word "*additional*" by inserting the words "*five (5) year*"

and on page 1, lines 16 and 17, by deleting the words "*License plates issued*" and inserting the word "*Registration*" in lieu thereof.

Representative Lundergan moved that the House concur in Senate Amendment No. 1 to **HB 215.** Agreed.

Representative Lundergan moved that **HB 215,** as amended by the Senate, be passed.

On the roll call the vote was yeas 74-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Haering, Handy, Head, Heleringer, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, Lefevers, Lile, List, Little, Long, Lundergan, Mann, McNutt, Moore, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Van Horn, White, Yates. Nays 8-Allen, Barrows, Clarke, Ellington, Hancock, Nett, Overstreet, Turner.

HB 215, as amended by the Senate, was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 215**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 147, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 147** is as follows:

Amend printed copy of **HB 147** as follows: on page 1, line 13, by changing "*must*" to "*may*"; and

on page 1, line 15, by changing "*may*" to "*shall*"

Representative Barrows moved that the House concur in the Senate Amendment No. 1 to **HB 147**. Agreed.

Representative Barrows moved that **HB 147**, as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Guenthner, Hancock, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Yates. Nays 0.

HB 147, as amended by the Senate, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 147**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 234 taken from Orders of the Day. Representative LeMaster moved that it be considered. Agreed.

Representative White moved that the House recede from House Amendments No. 2 and No. 3 to **SB 234**.

On the roll call the vote was yeas 12-Guenthner, Hancock, Harper, Holbrook, Holloway, Pearman, P. Richardson, Robinson, Schmidt, Seum, Stumbo, Thomason. Nays 79-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Gray, Handy, Head, Heleringer, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, B. Smith, F. Smith, Stone, Thomas, Tobin, Turner, Van Horn, White, Worthington.

The motion that the House recede from House Amendments No. 2 and No. 3 to **SB 234** was rejected.

HB 116, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 116** is as follows:

Amend printed copy of **HB 116** as follows: on page 1, line 1, delete the words: "*Except as otherwise provided herein,*"; and

on page 1, line 6, delete the words "nine (9)" and the brackets "[]" around the words "seven (7)" and after the word "members" delete the words "six (6)" and the brackets "[]" around the words "four (4)"; and

on page 1, lines 13, 14 and 15, delete the words: "one (1) additional person shall be appointed by the mayor" and insert in lieu thereof the following: "*Of the three members appointed by the county judge/executive there shall be respresentatives*"; and

on page 1, line 17, delete the "s" on the word appointment; and on page 1, line 18, delete the words: "city legislative body" and insert in lieu thereof the words "*fiscal court*"; and

on page 1, line 19, delete the words "one more than one-half of the"; and delete the brackets "[]" around the words "four (4)"; and

on page 2, lines 3, 4, 5 and 6, delete in their entirety; and

on page 3, lines 4, 5, 6, and 7, delete in their entirety; and

on page 4, line 26, delete the word "except"; and

on page 5, lines 1, 2, 3, 4 and 5, delete in their entirety.

Representative Yates moved that the House concur in Senate Amendment No. 1 to **HB 116**. Agreed.

Representative Yates moved that **HB 116**, as amended by the Senate, be passed.

On the roll call the vote was yeas 61-Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Guenthner, Head, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, List, Little, Long, Maggard, Mann, McBee, McNutt, Moore, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Richards, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Turner, Van Horn, White, Worthington, Yates. Nays 13-Fryman, Haering, Hancock, Handy, Heleringer, Hines, Lile, Nett, Overstreet, Priddy, Rapier, Rattliff, B. Richardson.

HB 116, as amended by the Senate, was passed and the title agreed to.

Representative Yates moved that the vote by which **HB 116**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative F. Smith moved that the rules be suspended to reconsider the vote on **HJR 3**, as amended by the Senate. Agreed.

Representative F. Smith moved that the vote on **HJR 3**, as amended by Senate Title Amendment (previously concurred in earlier in the day), be reconsidered. Agreed.

Senate Committee Substitute to **HJR 3** is as follows:

HJR 3, A JOINT RESOLUTION extending the tenure of the Special Solar Energy Advisory Committee and directing certain state agencies to report to that committee.
WHEREAS, the Special Solar Energy Advisory Committee has set in motion several activities which are new to the Commonwealth; and
WHEREAS, many of these activities will need continuing oversight; and
WHEREAS, the development of renewable energy resources needs to be encouraged in Kentucky;
NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the interim committee with jurisdiction over solar energy be directed to create a subcommittee to continue the activities initiated by the Solar Energy Advisory Committee.
Section 2. That all state agencies directly affected by the actions of the newly created subcommittee report periodically to that body regarding the progress and the results of its directives.
Section 3. That there is hereby established in the treasury of the Commonwealth a trust fund to be known as the "alternate energy development fund," herein referred to as the "fund." The fund shall consist of such amounts as may be appropriated by the general assembly, interest earned on moneys of the fund, grants or private contributions. The fund shall be managed by the committee and all expenditures therefrom must be approved by the committee or its designated representative or the successor positions. Unexpended balances in the fund shall be invested in interest-bearing obligations of the United States or in obligations

guaranteed as to both principal and interest by the United States, of maturities not in excess of five (5) years, and the interest on and proceeds from the sale or redemption of any investments held in the fund shall be credited to and form a part of the fund.

Section 4. That loans, grants, and expenditures for the development, implementation, and construction of alternate energy projects shall be paid out of this fund. Payments shall be made in the same manner as other state expenditures.

Section 5. (1) That there shall be created an alternate energy project review committee, referred to hereafter as the "committee," organizationally located as an advisory body to the Kentucky department of energy. The committee shall consist of the secretary of energy as chairman and six (6) members each with equal representation appointed by the governor, with consideration given to their interest and experience in alternate energy and energy research. The members shall elect a vice chairman and other officers as deemed necessary. For the first committee appointed, two (2) members shall be appointed for four (4) year terms, two (2) members for three (3) year terms, and two (2) members for two (2) year terms. All subsequent appointments shall be for three (3) years each. The respective appointments shall be made on July 1, of each year.

(2) That the commission members shall receive no compensation for their services, but may be reimbursed in accordance with the provisions of KRS Chapters 44 and 45 for actual and necessary expenses incurred in the performance of their duties on this commission.

(3) That the commission shall meet at the call of the chairman, but not less than twice during each calendar year. A majority of the members appointed to the committee shall constitute a quorum.

Section 6. That when it has been determined by the committee that the construction of an alternate energy development project will accomplish the criteria enumerated in Section 11, the committee may contract to grant or loan any county, city, public institution, private business, person, or group of persons, such amounts as in the discretion of the committee is needed in the development and completion of an alternate energy project as follows:

(1) Grants up to twenty-five (25) percent of the total project cost not to exceed $40,000 per project.

(2) Loans up to fifty (50) percent of the total project cost not to exceed $40,000 per project.

(3) Grants and loans in combination subject to the proportion in (1) and (2) and not to exceed a total of $40,000 per project.

Section 7. That contributions to the total project cost by the proposer may include in-kind contributions as well as cash contributions.

Section 8. That every loan of the fund shall be for a period of up to five (5) years and shall carry an interest rate equal to the Bond Buyer Index (twenty (20) bonds) as reported in the most recent issue of the Weekly Bond Buyer on the date the application is approved.

Section 9. That any governmental subdivision, public institution, private business, person, or group of persons in the Commonwealth may apply to the committee for assistance in the development, construction, and operation of an alternate energy project. Application shall be made in a manner as prescribed by the committee.

Section 10. That applications will be judged and funding decisions made by the alternate energy project review committee.

Section 11. That the committee shall give preference to projects which show consideration for the following factors:

(1) Applicability for contribution to low-income energy users;

(2) Potential for job or economic development;

(3) Transferability of the technology involved, particularly technology which will assist in future project design;

(4) Ability to evaluate the progress and the results of the project;

(5) The availability of on-going technical assistance to the project; and

(6) The ability to document and disseminate project results to the public.

Representative F. Smith moved the adoption of the Senate Committee Substitute to **HJR 3.** Agreed.

Representative F. Smith moved that **HJR 3,** by way of Senate Committee Substitute as amended, be passed.

On the roll call the vote was yeas 70-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Holbrook, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Maggard, Mann, McBee, McNutt, Moore, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Worthington. Nays 5-Allen, Deskins, Layman, Overstreet, Patrick.

HJR 3, by way of Senate Committee Substitute as amended, was passed and the title agreed to.

Representative F. Smith moved that the vote by which **HJR 3,** by way of Senate Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 758, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 2 to **HB 758** are as follows:

Amend printed copy of **HB 758** as follows: on page 1, line 9, after the word mine., delete ~~Individuals employed by the commissioner on a~~

line 10, delete entirely

line 11, delete entirely

line 12, delete entirely

on page 1, line 3, following the word "employ" insert the word "*temporarily*"

Representative Thomason moved that the House concur in Senate Amendment No. 1 to **HB 758.** Agreed.

Representative Thomason moved that the House concur in Senate Amendment No. 2 to **HB 758.** Agreed.

Representative Thomason moved that **HB 758,** as amended by the Senate, be passed.

On the roll call the vote was yeas 79-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Fryman, Gray, Haering, Hancock, Handy, Harper, Head, Holbrook, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Moberly, Moore, Morris, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington. Nays 1-T. Jones.

HB 758, as amended by the Senate, was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 758,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 809, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 809** is as follows:

Amend printed copy of **HB 809** as follows: on page 2, line 13, by adding at the end of line 13 the following: "*Section 1 and*"

on page 4, line 15, by adding after the word "of" the following: "*Section 3 and*"

on page 6, line 10, by adding at the end of line 10 the following: "*Section 5 and*"

on page 8, line 13, by adding at the end of line 13 the following: "*Section 7 and*"

Representative Clarke moved that the House concur in Senate Amendment No. 1 to **HB 809.** Agreed.

Representative Clarke moved that **HB 809,** as amended by the Senate, be passed.

On the roll call the vote was yeas 54-Arnold, Bendl, Bennett, Blevins, Brown, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Foster, Freibert, Guenthner, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, Kenton, LeMaster, List, Long, McBee, McNutt, Moberly, Nett, O'Brien, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner. Nays 30-Allen, Blandford, Boswell, Brinkley, Bronger, Bruce, Burnette, Cline, Dawahare, Ellington, Endicott, Farrow, Ford, Fryman, Haering, Layman, Lefevers, Lile, Little, Maggard, Morris, Noland, Overstreet, Patrick, Pearman, Perkins, Robinson, Van Horn, White, Worthington.

HB 809, as amended by the Senate, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 809,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 697, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 697** is as follows:

Amend printed copy of **HB 697** as follows: on page 2, line 15, delete SECTION 2 in its entirety.

Representative Meyer moved that the House concur in Senate Amendment No. 1 to **HB 697.** Agreed.

Representative Meyer moved that **HB 697,** as amended by the Senate be passed.

On the roll call the vote was yeas 75-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn. Nays 9-Allen, Deskins, Ellington, Endicott, Fryman, Layman, Moore, Overstreet, Patrick.

HB 697, as amended by the Senate, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 697,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 315, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 315** is as follows:

Amend printed copy of **HB 315** as follows: on page 2, line 18, before the word "*The*" by inserting "*(1)*"

and on page 2, line 26, before the word "*Distances*" by deleting "*(1)*" and inserting "*(a)*" in lieu thereof

and on page 3, line 1, before the word "*Selection*" by deleting "*(2)*" and inserting "*(b)*" in lieu thereof

and on page 3, line 2, before the word "*Use*" by deleting "*(3)*" and inserting "*(c)*" in lieu thereof

and on page 3, line 5, before the word "*Removing*" by deleting "*(4)*" and inserting "*(d)*" in lieu thereof

and on page 3, line 7, before the word "*Defining*" by deleting "*(5)*" and inserting "*(e)*" in lieu thereof

and on page 3, line 9, before the word "*Determining*" by deleting "*(6)*" and inserting "*(f)*" in lieu thereof

and on page 3, line 11, after the period by adding the following:

"*(2) Adoption of this Act shall in no way preclude or prevent the erection of highway advertising on exempted right of way as provided in Public Law 85-381.*"

Representative Gray moved that the House concur in Senate Amendment No. 1 to **HB 315.** Agreed.

Representative Gray moved that **HB 315,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Heleringer, Hines, Holloway, Johnson, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Moore, Morris, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington. Nays 10-Allen, Barrows, Burnette, Clarke, Haering, Holbrook, T. Jones, Mann, Nett, Noe.

HB 315, as amended by the Senate, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 315,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 478, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 478** is as follows:

Amend printed copy of **HB 478** as follows: on page 11, after line 24 by adding the following:

"Section 5. KRS 138.210 is amended to read as follows:

As used in KRS 138.220 to 138.340, unless the context requires otherwise:

(1) "Accountable loss" of gasoline means loss or destruction of "received" gasoline through wrecking of transportation conveyance, explosion, fire, flood or other casualty loss, or "received" gasoline contaminated and returned to storage; Provided That any such loss shall have been reported within ten (10) days after discovery of such loss to the department in a manner and form prescribed by the department, supported by proper evidence which in the sole judgment of the department substantiates the alleged loss or contamination and which is confirmed in writing to the reporting dealer by the department. The department may make any investigation deemed necessary to establish the bona fide claim of the loss.

(2) "Dealer" means any person who:

(a) Imports into this state and stores, or causes to be imported into and stored in this state, gasoline for use, distribution or sale and delivery in this state after it has been stored in this state; Provided That the term "dealer" as used in KRS 138.220 to 138.340 shall not include any person who imports gasoline acquired from a refiner or other supplier who, at the time of such importation, is a duly licensed dealer in this state, except as may otherwise be provided under regulations of the department.

(b) Receives or accepts delivery of gasoline within this state into bulk storage facilities owned or operated for the storage of gasoline for transshipment within or without this state.

(c) Refines, produces, distills, manufactures, blends or compounds gasoline in this state.

(d) Receives or accepts delivery within this state of gasoline for resale within this state in amounts of not less than an average of 100,000 gallons per month during any prior consecutive twelve (12) months' period, when in the opinion of the department, such person has sufficient financial rating and reputation to justify the conclusion that he will pay all taxes and comply with all other obligations imposed upon a dealer.

(3) "Department" means the department of revenue.

(4) "Gasoline" means all liquid fuels, including liquids ordinarily, practically and commercially usable in internal combustion engines for the generation of power, and all distillates of and condensates from petroleum, natural gas, coal, coal tar, vegetable ferments and all other products so usable except propane, butane or other liquefied petroleum gases, kerosene, cleaner solvent, fuel oil, diesel fuel and crude oil.

(5) "Received" or "received gasoline" shall have the following meanings:

(a) Gasoline produced, manufactured or compounded at any refinery in this state or gasoline acquired by any dealer and delivered into or stored in refinery, marine or pipeline terminal storage facilities in this state shall be deemed to be received when it has been loaded for bulk delivery into tank cars or tank trucks consigned to destinations within this state. For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the dealer to collect the tax, it shall be presumed that all gasoline loaded by any licensed dealer within this state into tank cars or tank trucks is consigned to destinations within this state unless the contrary is established by the dealer pursuant to rules and regulations prescribed by the department.

(b) Gasoline acquired by any dealer in this state, and not delivered into refinery, marine or pipeline terminal storage facilities, shall be deemed to be received when it has been placed into storage tanks or other containers for use or subject to withdrawal for use, delivery, sale or other distribution. Dealers may sell gasoline to licensed bonded dealers in this state in transport truckload, carload or cargo lots, withdrawing such gasoline from refinery, marine, pipeline terminal or bulk storage tanks, without paying the tax on such gasoline. In such instances the licensed bonded dealer purchasing such gasoline shall be deemed to have received such gasoline at the time of withdrawal from the seller's storage facility and shall be responsible to the state for the payment of the tax thereon and shall report and pay the tax on such gasoline purchased and received.

(6) "Refinery" means any place where gasoline is refined, manufactured, compounded or otherwise prepared for use.

(7) "Storage" means all gasoline produced, refined, distilled, manufactured, blended or compounded and stored at a refinery storage or delivered by boat at a marine terminal for storage or delivered by pipeline at a pipeline terminal, delivery station or tank farm for storage.

(8) "Transporter" means any person who transports gasoline on which the tax has not been paid or assumed.

(9) "Bulk storage facility" means gasoline storage facilities of not less than twenty thousand (20,000) gallons owned or operated at one (1) location by a single owner or operator for the purpose of storing gasoline for resale or delivery to retail outlets or consumers.

(10) "Average wholesale price" shall mean:

(a) The weighted average per gallon wholesale tank wagon price of gasoline, exclusive of the four cents (4¢) per gallon federal tax in effect on January 1, 1980, as determined by the department of revenue from information furnished by licensed gasoline dealers. Dealers shall furnish within twenty (20) days following the end of the first month of each calendar quarter, such information regarding wholesale selling prices for the previous month as may be reasonably required by the department.

(b) Notwithstanding the provisions of paragraph (a) above, for purposes of the taxes levied in KRS 138.220, 138.565, 138.660 and 234.320, in no case shall "average wholesale price" be deemed to be less than *one dollar and eleven cents ($1.11)* [one dollar ($1.00)] per gallon, and in no case shall "average wholesale price" be deemed to be more than one dollar and fifty cents ($1.50) per gallon on or before June 30, 1982. In fiscal year 1982-83 the "average wholesale price" shall not be deemed to increase more than ten percent (10%) over the "average wholesale price" at the close of fiscal year 1981-82; in each subsequent fiscal year the "average wholesale price" shall not be deemed to increase more than ten percent (10%) over the "average wholesale price" at the close of the previous fiscal year."

Representative LeMaster moved that the House concur in the Senate Amendment No. 1 to **HB 478.** Agreed.

Representative LeMaster moved that **HB 478,** as amended by the Senate, be passed.

On the roll call the vote was yeas 43-Arnold, Bendl, Bennett, Brinkley, Burch, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Gray, Handy, Hines, Holbrook, R. Jones, T. Jones, Kenton, LeMaster, Little, Long, Lundergan, Mann, McBee, McNutt, Moberly, Nett, Noe, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, B. Smith, Stone, Stumbo, Thomason. Nays 37-Allen, Blevins, Boswell, Bruce, Burnette, Caldwell, Crupper, Ellington, Endicott, Farrow, Ford, Freibert, Fryman, Guenthner, Haering, Hancock, Harper, Head, Heleringer, Layman, Lefevers, Lile, Maggard, Moore, Noland, Overstreet, Patrick, Pearman, Rattliff, P. Richardson, Riner, Robinson, F. Smith, Todd, Turner, Van Horn, White.

HB 478, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 478,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 566, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 566** is as follows:

Amend printed copy of **HB 566** as follows:

on page 3, line 15, after the word "hours." by deleting the remainder of line 15; and by deleting lines 16 and 17 in their entirety.

Representative Dunn moved that the House concur in the Senate Amendment No. 1 to **HB 566.** Agreed.

Representative Dunn moved that **HB 566,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Arnold, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Todd, Turner, Van Horn, White, Worthington. Nays 8-Allen, Barrows, Clarke, Haering, Layman, Noe, Noland, Robinson.

HB 566, as amended by the Senate, was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 566,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 545, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 545** is as follows:

Amend printed copy of **HB 545** as follows: on page 27, line 15, after the word "*located*" delete the remainder of the sentence; on line 16, delete "*lin County,*";

on page 28, line 20, delete "*Franklin Circuit Court or the*";

on page 29, line 3, by deleting the words "*The findings of the commissioner as to the facts, if supported by substantial evidence, are conclusive.*"

on page 29, line 7, delete "*or the*"; line 8, delete "*Circuit Court of Franklin County*"

and on page 34, line 1, by deleting the words "Section 4 of"

Representative LeMaster moved that the House concur in Senate Amendment No. 1 to **HB 545.** Agreed.

Representative LeMaster moved that **HB 545,** as amended by the Senate, be passed.

On the roll call the vote was yeas 75-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Ford, Foster, Freibert, Gray, Haering, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, White. Nays 5-Allen, Barrows, Farrow, Fryman, Hancock.

HB 545, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 545,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 415, with Senate Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 415** is as follows:

HB 415, AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 18A IS ESTABLISHED AND KRS 18.110 IS REPEALED AND RE-ENACTED AS A NEW SECTION THEREOF AND AMENDED TO READ AS FOLLOWS:

As used in *this Act* [~~KRS 18.110 to 18.360~~], unless the context indicates otherwise:

(1) "Appointing officer" means the officer or employe or group of officers or employes authorized by law to make appointments;

(2) "Board" means the personnel board created by *Section 9 of this Act* [~~KRS 18.160~~];

(3) *"Career employe" shall mean a state employe with twenty (20) or more years of permanent full-time state service, or the part-time employment equivalent of at least twenty (20) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof.*

(4) "Certification" means the referral of the name of one or more qualified prospective employes by the commissioner [~~of personnel~~] on request of an appointing officer for consideration in filling a position in the classified service;

(5)[~~(4)~~] "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;

(6)[~~(5)~~] "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in *Section 23 of this Act* [~~KRS 18.140~~]; a "classified position" is a position in the classified service;

(7) "Commissioner" means the commissioner of the department of personnel as provided for in Section 3 of this Act.

(8)[~~(6)~~] "Demotion" means a change in the rank of an employe from a position in one (1) class to a position in another class having a lower minimum salary range and less discretion or responsibility;

(9)[~~(7)~~] "Department" means the department of personnel provided for in *Section 3 of this Act* [~~KRS 18.160~~] unless the context indicates otherwise;

(10)[~~(8)~~] "Eligible" refers to a person who has made a passing score on any examination required under *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and who has qualified to be placed on a register;

(11)[~~(9)~~] "Emergency employe" means an employe appointed without regard to the examination requirements of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] to any position by reason of a governmental emergency, whose appointment is not to exceed thirty (30) working days in duration and is nonrenewable;

(12)[~~(10)~~] "Employe" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis;

(13)[~~(11)~~] "Position" means an office or employment in an agency (whether part-time, full-time, permanent, temporary, seasonal, federally funded time-limited, or emergency, occupied or vacant) involving duties requiring the services of one (1) person;

(14)[~~(12)~~] "Probation" means the period of service following appointment to any position under *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] which requires special observation and evaluation of an employe's work and which must be passed successfully before status may be conferred as provided in *Section 22 of this Act* [~~KRS 18.210~~]. An employe serving the probationary period is known as a "probationary employe";

(15)[~~(13)~~] "Promotion" means a change of rank of an employe from a position in one (1) class to a position in another class having a higher minimum salary and carrying a greater scope of discretion or responsibility;

(16)[~~(14)~~] "Provisional employe" means any employe appointed on a temporary or interim basis to a permanent position under *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] without examination, such appointment being made necessary by the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in *Section 22 of this Act* [~~KRS 18.210~~];

(17)[~~(15)~~] "Reemployment list" means the separate list of names of persons reduced in force by reason of lack of appropriations, curtailment of program or abolishment of position or of organizational unit, and through no fault of their own, who have requested the opportunity for further consideration of state employment. Reemployment lists are used as provided in *Section 22 of this Act* [~~KRS 18.210~~] and subject to *Sections 26 and 27 of this Act* [~~KRS 18.216 and 18.217~~];

(18)[~~(16)~~] "Register" means any official list of eligibles for a particular class placed in rank order according to the examination records, maintained for use in making original appointments or promotions to positions in the classified service;

(19)[~~(17)~~] "Status" means the acquisition of tenure with all rights and privileges appertaining thereunto after satisfactory completion of the probationary period by an employe in the classified service;

(20)[~~(18)~~] A "temporary position" is one created for a defined period of time not to exceed six (6) months and not renewable; a "temporary employe" is one (1) appointed to such a temporary position. A "seasonal position," although temporary in duration in the foregoing sense, coincides in duration with a particular season or seasons of the year, but may not exceed eleven (11) months duration, and may recur regularly from year to year; a "seasonal employe" is one appointed to such a seasonal position from an existing eligible list or without reference to an eligible list;

(21)[~~(19)~~] A "federally funded time-limited position" is one created for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided. A "federally funded time-limited" employe is one appointed to such position and, except as provided in *Section 23 of this Act* [~~KRS 18.140~~], may in all other respects be entitled to the benefits provided permanent, full-time regular employes as defined in *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~];

(22)[~~(20)~~] "Transfer" means a movement of any employe from one (1) position to another of the same grade having the same salary ranges and the same level of responsibility within the classified service;

(23)[~~(21)~~] A "war veteran" is a person who served on active duty in the United States armed forces during any war, or in a campaign or expedition for which a campaign badge or service medal has been authorized, or between April 28, 1952, and July 1, 1955 or between August 6, 1964 and May 7, 1975.

SECTION 2. KRS 18.120 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The general purpose of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] is to establish for the state a system of personnel administration based on merit principles and scientific methods governing the recruitment, examination, appointment, promotion, transfer, lay-off, removal, discipline, and welfare of its *classified* [~~civil~~] employes and other incidents of state employment. All appointments and promotions to positions in the state *classified* [~~civil~~] service shall be made solely on the basis of merit and fitness, to be ascertained by competitive examination, except as hereinafter specified. The general assembly finds that this chapter is necessary in order to improve the morale and motivation of state employes and to gain the maximum utilization of human resources in order to provide better service to the citizens of this Commonwealth.

SECTION 3. KRS 18.160 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) There shall be created by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] a department of personnel headed by a commissioner who shall be appointed by the governor.

(2) *Appropriations shall be made from the general expenditure fund to the department to meet the estimated pro rata share of the cost of administering the provisions of this chapter for departments, commissions, boards or agencies which receive their sole support from the general expenditure fund.*

(3) The commissioner shall maintain accurate records reflecting the cost of administering the provisions of this chapter. At the close of each quarter year period he shall summarize the cost and shall bill each department, commission, board or agency which receives support from sources other than the general expenditure fund, except the department of fish and wildlife resources, for a pro rata share of the administrative cost based on the relationship between the quarterly average number of employes in the service of such department, commission, board or agency and the quarterly average number of employes in the service of all the departments, commissions, boards and agencies for the appropriate calendar quarter.

(4) All departments, commissions, boards or agencies which receive support from other than the general expenditure fund, except the department of fish and wildlife resources, shall include in their budgets sufficient amounts to meet their pro rata shares of the cost of administering Sections 1 to 40 of this Act and shall remit such shares quarterly to the department in the manner provided by law.

(5) The department is authorized and directed to accept on behalf of the state any grant or contribution, federal or otherwise, made to assist in meeting the cost of carrying out the purposes of Sections 1 to 40 of this Act [~~There shall also be created a personnel board in which shall be vested the constitutional powers and responsibilities of officers of the Commonwealth. The personnel board shall consist of five (5) members appointed by the governor for four (4) year terms, and the governor shall select citizens of Kentucky known for their devotion to the merit principle in government employment and the improvement of management and professional development of the public service of the state. No member of the personnel board shall be otherwise an employe or officer of the Commonwealth except faculty or staff members of the state universities or colleges. No member of the personnel board shall be a member of any local, state, or national committee of a political party, or an officer or member of a committee in any partisan political club or organization, or shall be or have been a candidate for any elective office within one (1) year prior to appointment. Members of the personnel board shall receive compensation of sixty-five dollars ($65) per diem and reimbursements;of travel expenses and other special expenses for each called meeting of the board or hearing which they attend. If any board member misses three (3) consecutive meetings for any reason other than~~

~~illness or temporary absence from the Commonwealth, he shall be deemed to have vacated his office and the governor shall proceed forthwith to appoint a successor to his unexpired term.~~

~~(2) The members of the first board shall be appointed by the governor within thirty (30) days of July 1, 1960. Of the members first appointed, one (1) shall serve until January 1, 1961, one (1) until January 1, 1962, one (1) until January 1, 1963, and two (2) until January 1, 1964. Thereafter, each term shall run for four (4) years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. Each member of the board shall hold office until his successor is appointed and qualifies.~~

~~(3) Members of the personnel board may be removed by the governor only for cause after being given a copy of charges against them and an opportunity to be heard publicly, with the advice of counsel, on such charges against them before the governor and a finding of fact by the governor. A copy of the charges and transcript of the record of the hearing and findings of fact shall be filed with the secretary of state.~~

~~(4) The personnel board shall annually elect one (1) of its members chairman. It shall meet at such time and place as shall be specified by call of the chairman or the commissioner of personnel. At least one (1) meeting shall be held each month. All meetings shall be open to the public. Notice of each meeting shall be given in writing to each member by the commissioner of personnel at least three (3) days in advance of the meeting. Three (3) voting members shall constitute a quorum for the transaction of business. The personnel board shall keep records and minutes of its business and official actions, with the commissioner of personnel serving as secretary. Such minutes shall be public records open to public inspection, subject to such reasonable rules as to hours and conditions of inspection as the board may establish. It shall be the duty of the officer or officers charged by law with the custody of the state buildings, upon written request of the personnel board, to assign suitable office space for executing the duties charged to it and to the commissioner of personnel~~].

SECTION 4. KRS 18.290 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The records of the department[~~, except such records as the rules may properly require to be held confidential for reasons of public policy,~~] shall be public records and shall be open to public inspection, *as provided in KRS 61.870 to 61.884* [~~subject to such reasonable regulations as to the time and manner of inspection as may be prescribed by the commissioner~~].

SECTION 5. KRS 18.180 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The governor shall appoint the commissioner of personnel *as provided in Section 3 of this Act*, who shall be considered an employe of the state. He shall be a *graduate of an accredited college or university and have at least five (5) years experience in personnel administration or in related fields,* [~~person who has had extensive training and experience in personnel administration or in allied fields, shall~~] have known sympathies with the merit principle in government *and shall be dedicated to the preservation of this principle. Additional education may be substituted for the required experience and additional experience may be substituted for the required education* [~~service, and shall evidence such other qualifications as are essential to the performance of the duties of the position~~].

SECTION 6. KRS 18.190 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The commissioner [~~of personnel~~] shall be the executive and administrative head of the department [~~of personnel~~] and shall supervise and control all examinations and work of the department. He shall act as *an* [~~the personnel board's~~] adviser *to the board* on [~~all~~] matters pertaining to the *classified* [~~civil~~] service of this state. Within the limitations of the budget, the commissioner [~~of personnel~~] shall appoint and supervise such staff as may be needed in the department [~~of personnel~~] to carry out the purposes of *Sections 1 to 40 of this Act except employes of the board as provided in Section 18 of this Act* [~~KRS 18.110 to 18.360~~]. It shall be the duty of the commissioner [~~of personnel~~], with the aid of his staff to:

(1) Attend all meetings of the [~~personnel~~] board;

(2) Prepare and recommend to the [~~personnel~~] board rules and regulations for the purpose of carrying out the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~]. Such rules shall provide, among other things, the manner of completing appointments and promotions, including multiple and simultaneous certifications; rejection of ineligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examination; leaves of absence with and without pay; transfers, reinstatements, lay-offs; public notice of examinations; procedures for changes in rates of pay; and other conditions of employment;

(3) Establish general procedures for personnel recruitment, for certification, for improving the efficiency of employed personnel, and for the separation of employes deemed unsatisfactory or excessive by agency or department heads subject to the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~];

(4) Appoint such examiners and technicians as are necessary for the conduct of the personnel program, whether on a permanent or temporary basis;

(5) Prepare and maintain a record of all employes, showing for each employe his name, [~~post-office~~] address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make such data and the class specifications for all positions available to the press and public;

(6) Prepare, in accordance with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;

(7) Make certification for appointment or promotion within the classified service, in accordance with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~];

(8) Make investigations concerning all matters touching the enforcement and effect of the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and rules and regulations prescribed thereunder;

(9) Prepare, in cooperation with appointing authorities and others, programs for appraising employe work performance and collaborate with the several departments of the commonwealth in the development of programs for employe training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department [~~of personnel~~] to this end;

(10) Provide personnel services to unclassified employes in agreement with the agencies involved not otherwise provided for herein;

(11) Present, in accordance with the provisions of KRS 45.070, budget estimates for the support of the personnel system created by *Sections 1 to 40 of this Act, excluding the board, which shall present its own budget estimates* [~~KRS 18.110 to 18.360~~];

(12) Make a report and submit the same to the [~~personnel~~] board and to the governor not later than October first of each year; [~~and~~]

(13) Discharge such other duties as are imposed upon him by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], or by the board. The commissioner [~~of personnel~~] on behalf of the department may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration*; and*

(14) Keep records relative to employe turnover and report to the board, the governor and the legislative research commission quarterly. The report shall reflect employe turnover rates by cabinet, department, bureau, division and section. If any cabinet, department, bureau, division or section has a turnover rate of fifteen percent (15%) or more in any twelve (12) month period, the commissioner shall conduct an investigation into the reasons for the turnover and report the findings to the board, the governor and the legislative research commission.

SECTION 7. KRS 18.200 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

(1) The commissioner may from time to time designate in writing an employe of the department to act for him in case of his absence or inability from any cause to discharge the powers and duties of his position. In such case, the powers and duties of the commissioner shall devolve upon his designee.

(2) The commissioner may request appropriate persons, including officers and employes in the state service, to assist in the preparation and rating of tests. Department heads shall cooperate to the fullest extent possible in making the services of their employes available for such work.

(3) The commissioner shall serve ex officio as a member of the board of trustees of the Kentucky employes' retirement system.

SECTION 8. KRS 18.340 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The [~~personnel~~] board and the commissioner shall see that rules, regulations and practices meeting federal merit system standards shall, where such standards apply as a prerequisite for federal grants-in-aid, be in effect continuously, notwithstanding any other provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~].

SECTION 9. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a personnel board in which shall be vested the constitutional powers and responsibilities of officers of the Commonwealth. The board shall consist of seven (7) members, five (5) of whom shall be appointed by the governor as provided in Section 10 of this Act. Two (2) members of the board shall be elected by classified employes as provided in Section 11 of this Act.

(2) Of the five (5) members of the board appointed by the governor:

(a) Three (3) members shall be citizens at large not associated with state government in any manner.

(b) Two (2) members shall be selected from a list of four (4) names submitted by the legislative research commission. These appointees shall not be from the same political party.

(c) These five (5) appointments to the board shall be subject to confirmation by the senate. If the senate is not in session, these five (5) appointments shall be subject to review by the interim joint committee on state government. The interim joint committee on state government shall hold a public hearing and shall transmit its recommendations to the senate.

(3) Any person retaliating in any manner and any person ordering retaliation against a classified employe or a member of his family because he has participated in an election to the board, either by being a candidate or voting for a candidate, shall be subject to the provisions of Section 56 of this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) Initial appointments to the board by the governor, as provided in Section 9 of this Act, shall be made on or before September 15, 1982. Of the members appointed to the board, the legislative research commission appointees shall serve until July 1, 1983; two (2) citizen at large appointees shall serve until July 1, 1984; and one (1) citizen at large appointee shall serve until July 1, 1985. Subsequent appointments shall be for a term of four (4) years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such term shall be appointed in the same manner as provided in Section 9 of this Act and for the remainder of such term.

(2) The initial election of classified employes to the board shall be held as provided in Section 11 of this Act. The two (2) classified employes initially elected to the board shall serve until July 1, 1986. Subsequent elections shall be for a term of four (4) years from the date of expiration of the term for which his predecessor was elected. If a vacancy occurs prior to the expiration of such term, the board shall fill the vacancy as provided in Section 12 of this Act.

(3) If an elected board member accepts an unclassified position with state government, his membership on the board shall be terminated immediately and the vacancy shall be filled as provided in Section 12 of this Act.

(4) If an elected board member accepts a classified position in a cabinet employing another board member or if, through no fault of his own, he is placed in that cabinet, his membership on the board shall not be terminated for the remainder of his term.

SECTION 11. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) The initial election of a classified employe shall be held on or before September 15, 1982. Subsequent elections shall be held every four (4) years on or before July 1.

(2) The department shall provide written notification of the date of the initial election to all classified employes on or before August 1, 1982. In subsequent elections, written notification shall be provided to all classified employes on or before May 15.

(3) Classified employes wishing to serve on the initial board shall notify the department on or before August 15, 1982, of their intent. The notification shall be notarized and include the candidate's name, address, social security number, job classification and length of state employment. The notification shall also include the name and address of his employer. In subsequent elections all candidates to the board shall notify the department of their intent to run, in the same manner, on or before June 1.

(4) The department shall provide ballots for the initial election to the board to all classified employes on or before September 1, 1982. Ballots shall contain the name, address, job classification and length of state employment of all candidates as well as the names and addresses of their employers. In subsequent elections, ballots shall be provided to all classified employes, in the same manner, on or before June 15.

(5) All returned ballots for the initial election to the board shall be signed and postmarked no later than midnight, September 15, 1982. In subsequent elections, all returned ballots shall be signed and postmarked no later than midnight, July 1.

(6) The department shall tabulate all returned ballots for the initial election and subsequent elections to the board and notify all successful candidates within five (5) working days of the elections. The two (2) candidates receiving the largest number of votes shall be declared the successful candidates. In the event of a tie vote, the tie shall be broken by a coin toss in the presence of the candidates in question. Successful candidates shall take office immediately upon notification.

(7) All ballots for the initial and all subsequent elections shall be public record and open to public inspection for at least sixty (60) days after the elections.

(8) State employes shall not use state materials or equipment for any purpose related to the election of classified employes to the board, nor shall any activity related to the election of a classified employe to the board be conducted during working hours.

SECTION 12. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) If an elected member of the board vacates his seat for any reason other than the normal expiration of his term, the department shall provide written notification of the vacancy to all classified employes within fifteen (15) days of the vacancy.

(2) Classified employes wishing to fill the vacancy shall notify the department within ten (10) days of the department's notification of the vacancy.

(3) A majority of the remaining members of the board shall make the appointment to fill the vacancy from the list of those employes who have notified the board under subsection (2) of this section.

SECTION 13. KRS 18.280 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The [~~personnel~~] board, each member of the [~~personnel~~] board, *the executive director and any hearing officer of the board* and the commissioner shall have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~]. Any person who shall fail to appear in response to a subpoena or to answer any question or produce any books or papers pertinent to any such investigation or hearing or who shall knowingly give false testimony therein shall be *subject to the provisions of Section 56 of this Act* [~~guilty of a misdemeanor~~].

SECTION 14. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) The board shall annually elect one (1) of its members chairman and one (1) of its members vice-chairman.

(2) The board shall meet at such time and place as shall be specified by call of the chairman. At least one (1) meeting shall be held each month.

(3) All meetings shall be open to the public as provided in KRS 61.870 to 61.884. Any head of the department or agency employing an elected member of the board or any other person shall not prohibit him from attending meetings of the board, conducting the business of the board, influence or attempt to influence any decision made by that person, discipline the individual for attending the meeting; or, take any other action inimical to the interests of the employe or his family. Any person violating the provisions of this subsection shall be subject to the provisions of Section 56 of this Act.

(4) Notice of each regular meeting shall be given in writing to each member of the board by the executive director at least seven (7) days in advance of the meeting. Four (4) voting members shall constitute a quorum for the transaction of business. The board shall keep records and minutes of its business and official actions.

(5) All records of the board shall be public records and open to public inspection as provided in KRS 61.870 to 61.884.

SECTION 15. KRS 18.170 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

It shall be the duty of the [~~personnel~~] board to:

(1) Adopt comprehensive rules consistent with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], and with federal standards for the administration of a personnel system in the agencies of the state government receiving federal grants;

(2) Present to the governor, through the secretary of the department of finance, for his adoption such classification and compensation plans for the state service, provision for vacation, sick and special leave and hours of work, together with rules for their administration, as recommended by the commissioner [~~of personnel~~] and the board after a thorough survey of the personnel and departmental organizations included in such plan or plans;

(3) Make investigations, either on petition of a citizen, taxpayer, interested party, or on its own motion, concerning the enforcement and effect of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], and to require observance of its provisions and the rules and regulations made pursuant thereto; and to make such investigation as may be requested by the general assembly or the governor and to report thereon;

(4) Hear appeals from applicants for positions for which examinations are being or have been conducted, from eligibles on examination registers, [~~and~~] from *unclassified employes who have been dismissed, demoted, suspended, or otherwise penalized for cause, and from* officers or employes serving under the personnel system created by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], as hereinafter provided, subject to the procedural rules which the board may adopt pursuant to the provisions of this section;

(5) Promote public understanding of merit principles in government service;

(6) Make annual reports to the governor *and the legislative research commission* and biennial reports to the general assembly, which reports shall be a public record freely available to those persons interested in obtaining a copy;

(7) Advise the governor and the commissioner [~~of personnel~~] with respect to the administration of the personnel system created by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~];

(8) Consider and act on such matters as may be referred to the board by the commissioner [~~of personnel~~]; and

(9) Represent the public interest in the improvement of personnel administration in the state service, and advise and assist the commissioner [~~of personnel~~] in fostering the interest of institutions of learning and of civic, professional, and employe organizations in the improvement of personnel standards in the state service.

SECTION 16. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in Section 40 of this Act, members of the board shall receive compensation of sixty-five dollars ($65) per diem for each meeting of the board and reimbursement for actual and necessary expenses in accordance with state regulations and standards applicable to state employes.

(2) In addition to payments for attendance at board meetings all board members may also be paid sixty-five dollars ($65) for each day spent in the preparation of recommended orders, the review of transcripts or other matters related to appeals before the board.

(3) Any board member missing three (3) consecutive regular meetings shall be deemed to have vacated his office. Replacements to the board shall be made as provided in Sections 9(2) and 12 of this Act.

SECTION 17. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) Members of the board may be removed by the governor for cause after being given a copy of charges against them and an opportunity to be heard publicly, with the advice of counsel, on such charges against them before the governor and a finding of fact by the governor. A copy of charges shall be furnished to the board member being removed.

(2) Any member of the board removed by the governor may within thirty (30) days appeal the governor's order removing him from the board to the Franklin Circuit Court. If the court finds the governor's action was arbitrary, capricious or contrary to the weight of the evidence in the case, it shall void the governor's order.

SECTION 18. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) As provided by the budget enacted by the general assembly and other laws applicable to state personnel, the board shall appoint an executive director who shall be the chief administrative officer of the board and serve as secretary to the board. He shall have proven administrative and managerial experience and familiarity with equal employment opportunity laws and regulations. The board shall appoint other employes it deems necessary in accordance with the provisions of this Act. The salaries of the executive director and other employes of the board shall be determined by order of the board. The executive director of the board shall prepare the budget request for approval by the board in the form and manner required by applicable law. For the purposes of KRS 45.070 the board shall be considered a budget unit.

(2) The attorney general shall be an advisory member of the board.

SECTION 19. KRS 18.270 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Any classified employe who is dismissed, demoted, suspended, or otherwise penalized after completing his probationary period of service *or any unclassified employe who is dismissed, demoted, suspended, or otherwise penalized for cause* may, within thirty (30) days after such dismissal, demotion, suspension, or other form of penalization, appeal to the [~~personnel~~] board for review thereof. Upon such review, both the appealing employe and the appointing authority whose action is reviewed shall have the right to be heard publicly and to be represented by counsel to present evidentiary facts. At the hearing of such appeals, technical rules of evidence shall not apply. *An appeal to the board may be heard by individual members of the board, by its executive director or by a hearing officer of the board. Any appeal heard by less than the full board shall be subject to review by the full board upon petition for such review by either party to the appeal. Petition for review by the full board shall be filed with the board within thirty (30) days of the recommended order issued by a member, the executive director, or a hearing officer.* If the [~~personnel~~] board finds that the action complained of was taken by the appointing authority in violation of laws prohibiting favor for, or discrimination against, or bias with respect to his political or religious opinions or affiliations or ethnic origin, or in violation of laws prohibiting discrimination because of such individual's sex or age or handicap, the appointing authority shall, not later than thirty (30) days after receipt of such findings and recommendations, reinstate the employe to his former position or a position of like status and pay, without loss of pay for the period of his penalization, or otherwise make the employe whole. If the [~~personnel~~] board finds that the action complained of was taken without just cause, the [~~personnel~~] board shall order the employe reinstated to his former position or a position of like status and pay, without loss of pay for the period of his penalization, or otherwise make the employe whole. In all other cases, if the [~~personnel~~] board finds that the action taken by the appointing authority was excessive or erroneous in view of all the surrounding circumstances, the [~~personnel~~] board shall alter, modify or rescind the disciplinary action. The appointing authority shall, not later than thirty (30) days after receipt of the final order of the [~~personnel~~] board, comply with such final order. When any employe is dismissed and not ordered reinstated after such appeal, the [~~personnel~~] board in its discretion may direct that his name be placed on an appropriate re-employment list, for employment in any similar position other than the one from which he had been removed.

(2) Any unclassified employe who is dismissed without cause shall not have the right of appeal as provided in this section.

(3) The board shall, within sixty (60) days after an appeal is filed, hear the appeal, and shall, within ninety (90) days after an appeal is filed, issue a final determination for the disposition thereof.

SECTION 20. KRS 18.272 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Any final order of the [~~personnel~~] board either upholding or invalidating the dismissal, demotion, suspension, or other penalization of *a classified or an unclassified* [~~an~~] employe [~~with status~~] may be appealed either by the employe or by the appointing authority.

(2) The party aggrieved may, within thirty (30) days after the entry of the final order with which he is dissatisfied, appeal that order by filing a petition with the clerk of the Franklin Circuit Court. The petition shall state completely the grounds upon which the review is sought and shall specify the alleged errors in the board's conclusion and order. The appellant shall furnish a copy of the petition to the opposing party and the board. Summons shall be issued by the circuit court clerk upon the petition directing the adverse party or parties to file an answer within twenty (20) days after service of summons. Service on the board shall be had by serving the attorney general or any assistant attorney general. The *executive director* [~~secretary~~] of the [~~personnel~~] board shall within thirty (30) days after service of the summons file an attested copy of the order with the circuit court clerk, and of all the steps taken by the board relative to the attested order. If either party requests a transcript of the evidence, the requesting party shall bear the cost of the original copy of the transcript and it shall be furnished within ninety (90) days.

(3) The board, the employe, and the appointing authority shall be necessary parties to such appeals. It shall not be necessary for the board to file responsive pleadings unless it so desires. If the appeal is from an order upholding the dismissal, demotion, suspension, or other penalization, the burden of appearing and defending the action of the board shall be upon the appointing authority. If the appeal is from an order refusing to uphold the dismissal, demotion, suspension, or other penalization, the burden of appearing and defending the action of the board shall be upon the employe.

(4) The case shall be set down by the court for as early a day as possible for a hearing, and shall in all respects be expedited.

(5) No new or additional evidence shall be introduced in the Franklin Circuit Court except as to fraud or misconduct affecting the outcome of the case, but the court shall otherwise hear the case upon the record as attested by the *executive director* [~~secretary~~] of the [~~personnel~~] board, and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to determining whether or not:

(a) The board acted without or in excess of its power;

(b) The order appealed from was procured by fraud or misconduct;

(c) Substantial evidence supports the order appealed from;

(d) The board's decision is supported by the law.

(6) The court shall enter judgment affirming, modifying, or setting aside the order or, in its discretion, remanding the case to the board for proceedings in conformity with the directions of the court.

(7) Any party may appeal from the circuit court to the Court of Appeals in accordance with the Rules of Civil Procedure.

SECTION 21. KRS 18.275 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) (a) When a classified *or unclassified* employe has been finally ordered reinstated by the board without loss of pay, pursuant to the provisions of *Section 19 of this Act* [~~KRS 18.270~~], the *executive director of the board* [~~commissioner~~] shall forward a certified copy of said order to the *departments of personnel and* [~~department of~~] finance, which shall process proper payment to the employe for the period of suspension, said payment to be made out of the agency's appropriations. If no funds or insufficient funds are available in the agency's appropriations, then payment shall be made out of the "judgments" section of the general fund of the biennial state budget.

(b) Gross monies which were earned by the employe from other sources during the period of suspension shall be set off against the gross sum due the employe, to the extent that the monies were earned in a number of hours comparable to the length of time the employe would have worked in the job from which he was dismissed. The department of finance shall by regulation provide an administrative procedure for determining reasonable earnings to be so set off.

(c) All other deductions shall be deducted as required by law or by department of finance regulation.

(2) (a) Both the employe's and employer's contributions to the Kentucky employes' retirement system shall be based upon the gross amount due the employe, before set off or deduction, except for set off caused by earnings on which employe and employer contributions to the Kentucky employes' retirement system, county employes' retirement system, state police retirement system or Kentucky teachers' retirement system have been paid.

(b) Member and employer contributions paid into the system in which the employe participated after dismissal shall be transferred to the system in which he participated prior to his illegal dismissal. In the event of a difference in member or employer contribution rates between the retirement system under which the member was covered prior to dismissal and the retirement system in which he participated before reinstatement by the [~~personnel~~] board, the member and employer shall pay or receive a refund in order to adjust their respective contribution to the appropriate rate for the system under which he would have participated had he not been dismissed.

SECTION 22. KRS 18.210 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The commissioner [~~of personnel~~] shall prepare and submit to the [~~personnel~~] board proposed rules for the classified service. Such rules shall have the force and effect of law, when approved by the board, after public notice and public hearing, and after filing with the legislative research commission in accordance with KRS Chapter 13 and procedures adopted thereunder. If not disapproved by the board within forty-five (45) days after the submission thereof, they shall have the same force and effect as if approved. Amendments thereto may be made in the same manner, or on the initiative of the board. The rules shall provide:

(1) For the preparation, maintenance and revision of a position classification plan for all positions in the classified service, based upon similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required for and the same schedule of pay may be equitably applied to all positions in the same class. After such classification has been approved by the board, the commissioner shall allocate the position of every employe in the classified service to one (1) of the classes in the plan. Any employe affected by the allocation of a position to a class shall, after filing with the commissioner [~~of personnel~~] a written request for reconsideration thereof in such manner and form as the commissioner may prescribe, be given a reasonable opportunity to be heard thereon by the commissioner;

(2) For a pay plan for all employes in the classified service, after consultation with appointing authorities and the secretary of the department of finance. The plan shall take into account such factors as (a) the relative levels of duties and responsibilities of various classes of positions; (b) rates paid for comparable positions elsewhere; and (c) the state's financial resources. Such pay plan shall become effective only after it has been approved by the governor after submission to him by the board. Amendments to the pay plan may be made in the same manner. Each employe shall be paid at one (1) of the rates set forth in the pay plan for the class of position in which he is employed;

(3) For open competitive examinations to test the relative fitness of applicants for the respective positions. Such examinations shall be announced publicly at least fifteen (15) days in advance of the date fixed for the filing of applications therefor, and may be advertised through the press, radio and other media. The commissioner shall continue to receive applications and examine candidates on a continuous basis long enough to assure a sufficient number of eligibles to meet the needs of the service, and shall add the names of successful candidates to existing eligible lists in accordance with their respective ratings. The commissioner shall be free to use any investigation of education and experience and any test of capacity, knowledge, manual skill, character, personal traits, or physical fitness which in his judgment serves the need to discover the relative fitness of applicants;

(4) For promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, conduct and seniority. Vacancies shall be filled by promotion whenever practicable and in the best interest of the service;

(5) For the establishment of eligible lists for appointment, upon which lists shall be placed the names of successful candidates in the order of their relative excellence in the respective examinations. Eligibility lists shall expire automatically at the end of two (2) years, unless the life of a list is extended by action of the [~~personnel~~] board for a period not to exceed one (1) additional year;

(6) For the rejection of candidates or eligibles who fail to comply with reasonable requirements of the commissioner in regard to such factors as age, physical condition, training and experience, or who have been guilty of infamous or disgraceful conduct; who are addicted to alcohol to excess or to narcotics, or who have attempted any deception or fraud in connection with an examination;

(7) For the appointment of a person whose score is included in the five (5) highest scores earned on the examination;

(8) For a period of probation not to exceed one (1) year before appointment or promotion may be made complete, and during which period a probationer may be discharged or reduced in class or rank, or replaced on the eligible list. Unless the appointing authority notifies the employe prior to the end of the probationary period that the employe's services are not satisfactory, the employe shall have status in the classified service. The notice shall be in writing and as provided by personnel rules;

(9) For emergency employment for not more than thirty (30) working days with or without examination, with the consent of the commissioner;

(10) For provisional employment without competitive examination when there is no appropriate eligible list available. No such provisional employment shall continue longer than six (6) months, nor shall successive provisional appointment be allowed to the same position;

(11) For transfer from a position in one (1) department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges;

(12) For reinstatement within not more than five (5) years, only with the approval of the commissioner, of persons who resign in good standing or who are laid off from their positions without fault or delinquency on their part;

(13) For developing, in cooperation with the appointing authorities, uniform standards and methods of appraising work performance of all employes and for the use of such methods of appraisal in personnel actions;

(14) For lay-offs by reasons of lack of funds or work, or abolishment of a position, or material change in duties or organization, and for reinstatement of employes so laid off, giving consideration in both lay-offs and re-employment to qualifications, performance records, conduct and seniority in service;

(15) For imposition as disciplinary measures of a fine of not more than ten (10) working days' pay or for suspension from the service without pay for not longer than thirty (30) working days and for the manner of notification of the employe of the discipline and his right of appeal;

(16) For discharge or reduction in rank or grade only for cause, after the person to be discharged or reduced has been presented with the reasons for such discharge or reduction stated in writing, and has been allowed a reasonable time to reply thereto in writing, or, upon request, to appear personally with counsel and reply to the head of the department or his deputy. The statement of reasons and the reply shall be filed as a public record with the commissioner;

(17) For establishment of a plan for resolving employe grievances and complaints;

(18) For annual, sick and special leaves of absence, with or without pay, or reduced pay, after approval by the governor as provided in *subsection (2) of Section 15 of this Act* [~~KRS 18.170(2)~~];

(19) For the development and operation of programs to improve the work effectiveness of employes in the state service, including training, whether in-service or compensated educational leave, safety, health, welfare, counseling, recreation, and employe relations;

(20) For promotion of career employes to positions in the unclassified service without loss of status to the individual employes so promoted;

(21) For such other rules and administrative regulations not inconsistent with *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], as may be proper and necessary for its enforcement.

SECTION 23. KRS 18.140 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) The classified service to which *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:

(a) The general assembly and employes of the general assembly including the employes of the legislative research commission;

(b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;

(c) Members of boards and commissions;

(d) Officers and employes on the staff of the governor, the lieutenant governor, the office of the secretary of the governor's cabinet, and the office of program administration;

(e) Cabinet secretaries, commissioners, department heads, bureau commissioners and the administrative heads of all boards and commissions, including the executive director of Kentucky Educational Television;

(f) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;

(g) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the commissioner [~~of personnel~~] approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the [~~personnel~~] board may approve such an addition or additions on petition of the department head approved by the commissioner [~~of personnel~~];

(h) Division directors subject to the provisions of *Section 34 of this Act.* [~~KRS 18.150;~~] *Division directors in the classified service as of January 1, 1980, shall remain in the classified service;*

(i) Physicians employed as such;

(j) One (1) private secretary for each person exempted under subsections (1)(e), (1)(f) and (1)(g) of this section;

(k) The judicial department, referees, receivers, jurors, and notaries public;

(l) Officers and members of the staffs of state universities and colleges and student employes of such institutions; and officers, teachers, and employes of local boards of education;

(m) Patients or inmates employed in state institutions;

(n) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the general assembly, or a committee thereof, or by authority of the governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services *under the provisions of KRS 45.700 to 45.720* [~~who are retained pursuant to application procedures, lists of eligibles, and classification and compensation systems developed by the commissioner of personnel and approved by the professional employment commission under the provisions of KRS 45.535~~];

(o) Seasonal, temporary, and emergency employes;

(p) Federally funded time-limited employes;

(q) Officers and members of the state militia;

(r) State police troopers and sworn officers in the bureau of state police, department of justice;

(s) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;

(t) Superintendents of state mental institutions, including heads of mental retardation centers, and penal and correctional institutions as referred to in KRS 196.180(2);

(u) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;

(v) County and commonwealth's attorneys and their respective appointees.

(2) Nothing in *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(3) Nothing herein is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Classified employes with status promoted to positions exempted from classified service *shall* [~~may~~], upon termination of their employment in the exempted service, revert to *a position in that class in the agency from which they were terminated if a vacancy in that class exists. If no such vacancy exists, they shall be considered for employment in any vacant position for which they were qualified pursuant to the provisions in Sections 26 and 27 of this Act* [~~their classified status, but not necessarily to a particular position in the classified service~~].

(5) Nothing herein shall be construed as precluding appointing officers from filling nonclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

SECTION 24. KRS 18.250 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Except as hereinafter provided, all hiring for the classified service shall be on the basis of competitive examinations and certification by the [~~personnel~~] department in accordance with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~].

(2) As of February 29, 1976, when an entity and its employes, either initially or subsequently, is brought into state service, all employes of that entity required to be covered under the classified service shall be required to meet the minimum qualifications for the positions to which they are assigned and to satisfactorily complete a probationary period, except that in the discretion of the commissioner they shall not be required to take an examination. The commissioner shall equitably assign such employes to any step within the salary range of an appropriate pay grade.

SECTION 25. KRS 18.260 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) No disbursing or auditing officer of the Commonwealth shall make or approve or take any part in making or approving any payment for personal service to any person holding a position in the classified or unclassified service unless the payroll voucher or account of such pay bears the certification of the commissioner, or of his authorized agent, that the persons named therein have been appointed and employed in accordance with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and the rules, regulations, and orders thereunder. The commissioner may for proper cause *or upon order of the board* withhold certification from an entire payroll or from any specific item or items thereon. The commissioner may, however, provide that certification of payrolls may be made once every six (6) months, and such certification shall remain in effect except in the case of any officer or employe whose status has changed after the last certification of his payroll. In the latter case no voucher for payment of salary to such employe shall be issued or payment of salary made without the further certification of the commissioner.

(2) Any citizen, including public officers, may maintain a suit to restrain a disbursing officer from making any payment in contravention of any provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], or of any rule, regulation or order thereunder. Any sum paid contrary to any provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] or of any rule, regulation, or order thereunder may be recovered in an action maintained by any citizen, from any officer who made, approved, or authorized such payment or who signed or countersigned a voucher, payroll, check or warrant for such payment, or from the sureties on the official bond of any such officer. All moneys recovered in any such action shall be paid into the treasury.

(3) Any person appointed or employed in contravention of any provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] or of any rule, regulation, or order thereunder, who performs service for which

he is not paid, may maintain an action against the officer or officers, employe or employes, who purported so to appoint or employ him, to recover the agreed pay for such services, or the reasonable value thereof if no pay was agreed upon. No such officer or employe shall be reimbursed by the Commonwealth at any time for any sum paid to such person on account of such services.

(4) If the commissioner wrongfully withholds certification of the payroll voucher or account of any employe, such employe may maintain a proceeding in the circuit court in the county in which he resides to compel the commissioner to certify such payroll voucher or account.

SECTION 26. KRS 18.216 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) [~~Except as provided in subsection (2) of KRS 18.215,~~] A career employe whose employment is terminated on or after January 1, 1980, by layoff, dismissal, other than for cause, and, in the case of an unclassified management employe, resignation other than resignation in lieu of dismissal for cause, shall, upon his written request, be reemployed or placed on reemployment lists in accordance with this section and *Section 27 of this Act* [~~KRS 18.217~~].

(2) If the career employe has previously attained status in a position in the classified service, he shall revert to a position in that class in the agency from which he was terminated if a vacancy in that class exists. If no such vacancy exists, he shall be considered for employment in any vacant position for which he is qualified pursuant to the reemployment procedures.

(3) If the career employe has not previously attained status in the classified service or if he has attained status but no vacancy exists in a position to which subsection (2) of this section applies, the employe shall be placed on reemployment lists for any positions for which he is qualified.

SECTION 27. KRS 18.217 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Any career employe who has been laid off or dismissed, other than for cause, and, in the case of an unclassified management employe, resignation other than resignation in lieu of dismissal for cause, shall *automatically* be placed on *the reemployment list for the class from which he was terminated. If a career employe wishes to be on the remployment list for other* [~~reemployment lists for those~~] classes of positions for which he is qualified and passes the appropriate selection method, *he* [~~. Such career employe~~] shall notify the department [~~of personnel~~] in writing [~~that he desires reemployment in order to be eligible for placement on reemployment lists~~].

(2) If more than one (1) career employe requests to be placed on the reemployment list for any job classification, the department [~~of personnel~~] shall list the names of such career employes in the order of their seniority.

(3) No vacancy may be filled from a competitive register until all career employes on the reemployment list for that class of position have *denied employment in that class* [~~been given full consideration for reemployment~~]. An appointing authority may refuse to reemploy a qualified employe on the reemployment list only for cause. The commissioner [~~of personnel~~] and the employe shall be furnished with a written statement of the specific reasons for the refusal within ten (10) days following the appointing authority's refusal. The employe may appeal the appointing authority's action in accordance with *Sections 19 and 20 of this Act* [~~KRS 18.270 to 18.272~~].

SECTION 28. KRS 18.310 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) No person shall be appointed or promoted to, or demoted or dismissed from, any position in the classified service, or in any way favored or discriminated against with respect to employment in the classified services because of his political or religious opinions or affiliations or ethnic origin or sex or handicap. No person between the ages of forty (40) and seventy (70) shall be discriminated against because of age.

(2) No person shall use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in appointment to a position in the classified service, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of any person.

(3) No employe in the classified service or member of the [~~personnel~~] board *or its executive director* or commissioner shall, directly or indirectly, pay or promise to pay any assessment for political purposes, or solicit or take any part in soliciting for any political party, or solicit or take any part in soliciting any political assessment, subscription, contribution, or service. No person shall solicit any political assessment, subscription, contribution, or service of any employe in the classified service.

(4) No employe in the classified service *or member of the board or its executive director* shall be a member of any national, state, or local committee of a political party, or an officer or member of a committee of a partisan political club, or a candidate for nomination or election to any paid public office, or shall take part in the management or affairs of any political party or in any political campaign, except to exercise his right as a citizen privately to express his opinion and to cast his vote. Officers or employes of the classified service may be candidates for and occupy a town or school district office if the office is one for which no compensation, other than a per diem payment, is provided and the election is on a nonpartisan basis.

SECTION 29. KRS 18.320 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) No person shall make any false statement, certificate, mark, rating, or report with regard to any test, certification, or appointment made under any provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] or in any manner commit or attempt to commit any fraud preventing the impartial execution of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and the rules, regulations or orders thereunder.

(2) No person shall, directly or indirectly, give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the classified service.

(3) No employe of the department, examiner, or other person shall defeat, deceive, or obstruct any person in his right to examination, eligibility, certification, or appointment under *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the classified service.

(4) No person shall make any false statement, record or report regarding hours, days, or other time worked by any employe. No person shall falsely prepare any payroll document or record relating to the pay for any employe.

SECTION 30. KRS 18.212 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) An honorably discharged war veteran shall have five (5) points added to his entrance examination score for *classified* [~~merit system~~] positions.

(2) Any honorably discharged war veteran whom the veterans administration or any branch of the armed forces of the United States determines has service-connected disabilities shall have ten (10) points added to his entrance examination score for a *classified* [~~merit system~~] position.

(3) The spouse of an honorably discharged war veteran who would be eligible for a ten (10) point preference, and whose service-connected disability disqualifies him for positions along the general line of his usual occupation shall have ten (10) preference points added to his entrance examination score for a *classified* [~~merit system~~] position. In such a case, the spouse loses the right to preference if the disabled war veteran recovers.

(4) Until remarriage, the surviving spouse of an honorably separated war veteran shall have ten (10) preference points added to his entrance examination score for a *classified* [~~merit system~~] position. This includes the surviving spouse of a war veteran who died while in the armed forces, unless circumstances surrounding the death would have been cause for other than honorable separation.

(5) A parent totally or partially dependent on a war veteran who lost his life under honorable conditions while on active duty or active duty for training purposes or who became permanently and totally disabled as a result of a service-connected disability, shall have ten (10) preference points added to his examination score for a *classified* [~~merit system~~] position.

(6) War veterans and their spouses, widows, widowers, and parents eligible for preference points shall have them added to their entrance examination scores for *classified* [~~merit system~~] positions only if the score is determined by the commissioner [~~of personnel~~] to be a passing score and after verification of the required service.

SECTION 31. KRS 18.220 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) The commissioner [~~of personnel~~] shall prepare and submit proposed rules to the governor for employes in *unclassified* [~~non-merit system~~] positions enumerated in paragraphs (f), (g), (h), (i), (j), (o), (t), and (u) of *subsection (1) of Section 23 of this Act* [~~KRS 18.140(1)~~]. Such rules shall become effective after approval by the governor and promulgation in accordance with KRS Chapters 12 and 13. The rules shall provide:

(a) For the preparation, maintenance and revision of a position classification plan for all aforementioned positions in the unclassified service, based upon similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required for and the same schedule of pay may be equitably applied to all positions in the same class. After such classification plan has been approved by the governor, the commissioner shall allocate the positions of every employe in the unclassified service to one (1) of the classes of the plan. Any employe affected by the allocation of a position to a class shall, after filing with the commissioner [~~of personnel~~] a written request for reconsideration thereof in such manner and form as the commissioner may prescribe, be given a reasonable opportunity to be heard thereon by the commissioner;

(b) For a pay plan for all aforementioned employes in the unclassified service, after consultation with appointing authorities and the secretary of the department of finance, and taking into account such factors as 1. the relative levels of duties and responsibilities of various classes of positions; 2. rates paid for comparable positions elsewhere; and 3. the state's financial resources. Such pay plan shall become effective only after it has been approved by the governor after submission to him by the commissioner [~~of personnel~~] through the secretary of the department of finance. Amendments to the pay plan may be made in the same manner. Each employe shall be paid at one (1) of the rates set forth in the pay plan for the position in which he is employed;

(c) For transfer from a position in one (1) department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges;

(d) For annual, sick and special leaves of absence, with or without pay, or reduced pay, after approval by the governor as provided in *subsection (2) of Section 15 of this Act* [~~KRS 18.170(2)~~];

(e) For the development and operation of programs to improve the work effectiveness and morale of employes in the unclassified service, including training, safety, health, welfare, counseling, recreation, and employe relations;

(f) For such other rules and administrative regulations, not inconsistent with *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], as may be proper and necessary for its enforcement.

(2) Nothing herein shall be construed to preclude the optional use of rules promulgated under this section on behalf of employes enumerated in paragraphs (a), *(b)*, (d), (e) and (p) of subsection (1) of *Section 23 of this Act* [~~KRS 18.140~~] and on behalf of members of state boards and commissions who work on a full-time, salaried basis.

SECTION 32. KRS 18.230 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) All office space, property and equipment including, but not limited to, desks, office supplies, typewriters, machinery and implements utilized at hearings and in recording and processing transcripts and other work of the board, heretofore used by the board, shall become the property of the board.

(2) All officers and employes of the Commonwealth and of all its municipalities and political subdivisions shall allow the department *and the board* the reasonable use of public buildings under their control, and furnish heat, light and furniture for any examination, hearing, or investigation authorized by *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~]. The department *and the board as appropriate* shall pay to a municipality or political subdivision the reasonable cost of any such facilities furnished by it.

SECTION 33. KRS 18.240 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) All officers and employes of the Commonwealth shall comply with, and aid in all proper ways in carrying out, the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and the rules, regulations, and orders *of the board* thereunder. All officers and employes shall furnish any records or information pertaining to the administration of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] which the commissioner *or the board* may request. The commissioner or the board may require the attorney general to institute and maintain such legal action as the commissioner or the board may consider necessary or appropriate to secure compliance with *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] and the rules and orders thereunder.

(2) The secretary of the department of finance may review and approve all proposed position establishments and abolishments. Reclassifications and reallocations may also be reviewed and approved by the secretary of the department of finance on the basis of the availability of funds. *The department of finance shall notify the department and the board of any review and approval conducted under the provisions of this section.*

SECTION 34. KRS 18.150 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

It is further provided that the responsible departmental, board, commission or agency head shall at the time at which he elects to come under the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~], certify to the [~~personnel~~] board the positions of those division directors or heads under their jurisdiction whose duties are nonpolicy making together with a sufficient statement of their duties to enable the board to determine whether or not, as a matter of fact, such duties are nonpolicy making in their nature. He shall, at any time subsequent to coming under the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~] certify to the [~~personnel~~] board additional division directors or heads whose duties are nonpolicy making. At the time of certification notice thereof shall be given to the interested division director or head in the form of a copy of the statement certifying the duties of his office. The board may conduct such hearings as it may deem necessary, and shall conduct hearings pursuant to the administrative provisions of *Sections 19 of this Act* [~~KRS 18.270~~] in the event of a difference of opinion between the certifying officer and the interested division director or head, before entering its findings of fact and an order either classifying or denying classification to such position. Either the certifying officer or the division director or head may appeal the findings of fact and the final order of the board by initiating action in the Franklin Circuit Court pursuant to the provisions of KRS 418.040 et seq.

SECTION 35. KRS 18.155 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The responsible departmental, board, commission or agency head shall periodically evaluate the duties of those division directors or heads placed under the *classified service* [~~merit system~~] pursuant to the provisions of *Section 34 of this Act* [~~KRS 18.150~~], and shall determine whether the duties of such directors or heads have become policy making in their nature. If it is determined that the duties of such directors and heads are policy making, the responsible agency head shall certify that fact to the [~~personnel~~] board. At the time of certification, notice thereof shall be given to the interested division director or head in a form of a copy of the statement certifying the policy making duties of his office. The board may conduct such hearings as it may deem necessary, and shall conduct hearings pursuant to the administrative provisions of *Section 19 of this Act* [~~KRS 18.270~~] in the event of a difference of opinion between the certifying officer and the interested division director or head, before entering its findings of fact and an order either removing the position from the *classified service* [~~merit system~~] or retaining it within the *classified service* [~~merit system~~]. Either the certifying officer or the division director or head may appeal the findings of fact and the final order of the board by initiating action in the Franklin Circuit Court pursuant to the provisions of KRS Chapter 418.

SECTION 36. KRS 18.300 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Subject to the approval of the [~~personnel~~] board the commissioner may enter into agreements with any municipality or other political subdivision of the commonwealth to furnish services and facilities of the department to such municipality or political subdivision in the administration of its personnel on merit principles. Any such agreement shall provide for the reimbursement to the department, under contract, of the reasonable cost of the services and facilities furnished, as determined by the commissioner. All municipalities and political subdivisions of the commonwealth are hereby authorized to enter into such agreements.

(2) The commissioner may cooperate with the governmental agencies of other jurisdictions charged with personnel administration in conducting joint tests and establishing joint lists from which eligibles shall be certified for appointment in accordance with the provisions of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~].

(3) The commissioner may, upon the request of the secretary of the department for human resources and upon the approval of the [~~personnel~~] board, furnish merit system services to "local" departments of health.

SECTION 37. KRS 18.211 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

For the purpose of any regulation issued under *Section 22 or 31 of this Act* [~~KRS 18.210 or 18.220~~] governing entitlement to annual leave days, sick leave days or the accumulation of such leave days, any period of service as an elected state official, including but not limited to service in the general assembly, by any officer or employe to whom such regulation applies shall be considered to have been full-time employment in the state service.

SECTION 38. KRS 18.350 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) State offices shall be closed and state employes shall be given a holiday on the following days:
(a) The 1st day of January plus one extra day;
(b) The 3rd Monday in February;
(c) Good Friday, one-half day;
(d) The last Monday in May;
(e) The 4th day of July;
(f) The 1st Monday in September;
(g) *Presidential election day as required under KRS 2.190;*
(h) The 4th Thursday in November plus one extra day;
(i)[~~(h)~~] The 25th day of December plus one extra day.

(2) When any of the days enumerated in subsection (1) falls on a Saturday, the preceding Friday shall be observed as the holiday, and when any of the days enumerated in subsection (1) falls on a Sunday, the following Monday shall be observed as the holiday. When one extra day is mentioned in paragraphs (a), (g) and (h) of subsection (1), the Governor shall designate the extra day.

(3) The holidays set out in this section are in addition to vacation leave and other benefits of state employes.

SECTION 39. KRS 18.360 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) A state employe who is authorized to work one or more hours in excess of the prescribed hours of duty shall be granted compensatory leave on an hour-for-hour basis. An employe who is transferred or otherwise changed from the jurisdiction of one agency to another shall retain his compensatory leave in the receiving agency.

(2) Any employe who leaves state service shall be paid for the balance of unused compensatory time.

SECTION 40. KRS 18.370 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) No state officer or employe who is required by statute or regulation to serve on any board, commission or other body in an official capacity shall receive a per diem salary for the attendance of meetings or performance of services *during regular working hours.*

(2) Any state officer or employe who is required by statute or regulation or who is elected or appointed to serve on any board, commission or other body in an official capacity shall receive reimbursement for actual and necessary expenses in accordance with state regulations and standards.

SECTION 41. KRS 18.410 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) The secretary of the department of finance, upon the recommendation of the commissioner [~~of personnel~~], may procure from one or more life insurance companies, authorized to do business in this state, a policy or policies of group life insurance insuring the lives of all or any class or classes of state employes. The policy or policies shall be approved by the commissioner of insurance and may contain such provisions as he approves whether or not otherwise permitted by the insurance laws. It is intended that life insurance may be made available for state employes, except that the procuring is permissive.

(2) The term "state employe," for purposes of *Sections 41 to 45 of this Act* [~~KRS 18.410 to 18.440 and KRS 18.470~~], shall mean a person who is regularly employed by any department, board, agency or branch of state government, and who is also a contributing member of any one of the retirement systems administered by the state provided, however, that any federally funded time-limited employe may receive insurance coverage.

(3) The term "premiums," for the purposes of *Sections 41 to 45 of this Act* [~~KRS 18.410 to 18.440 and KRS 18.470~~], shall mean premiums to be paid on any type of insurance authorized under *Sections 41 to 45 of this Act* [~~KRS 18.410 to 18.440 and KRS 18.470~~].

SECTION 42. KRS 18.420 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

The premiums may be paid by the policyholder (a) wholly from funds contributed by the insured employe, by payroll deduction or otherwise, (b) wholly from funds contributed by the state or department or agency, or (c) partly from each. No payment of premium by the state or department, board or agency shall constitute compensation to an insured employe for the purposes of any statute fixing or limiting the compensation of such an employe; any premium or other expense incurred by the state or department, board or agency shall be considered a proper cost of administration.

SECTION 43. KRS 18.430 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

The policy or policies may also provide accidental death and dismemberment insurance and may contain such provisions with respect to the class or classes of employes covered, amounts of insurance for designated classes or groups of employes, terms of eligibility, continuation of insurance after retirement, and such other provisions as the commissioner of insurance may approve.

SECTION 44. KRS 18.440 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The secretary of the department of finance is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining insurance under the provisions of *Sections 41 to 44 of this Act* [~~KRS 18.410 to 18.440~~].

SECTION 45. KRS 18.470 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

(1) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030, which has been licensed by the Kentucky health facilities and health services certificate of need and licensure board and issued a certificate of authority by the department of insurance as a health maintenance organization and which is qualified under the requirements of the United States department of health, education and welfare except as provided in subsection (2) of this section.

(2) The secretary of the department of finance, upon the recommendation of the commissioner of personnel, may procure from one (1) or more health, hospitalization, medical, major medical and dental insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health, hospitalization, medical, major medical and dental insurance or health maintenance organization coverage encompassing all or any class or classes of state employes. All state employes for whom such insurance or health maintenance organization coverage is provided shall annually be given an option to elect either standard insurance coverage or coverage by a health maintenance organization; except that if a qualified health maintenance organization is not engaged in providing basic health services in a health maintenance service area in which at least twenty-five (25) of such employes reside, the state employes may annually be given the option to elect either standard insurance coverage or

coverage by a health maintenance organization which has been licensed by the Kentucky health facilities and health services certificate of need and licensure board and issued a certificate of authority by the department of insurance as a health maintenance organization and which is engaged in providing basic health services in a health maintenance service area in which at least twenty-five (25) of such employes reside. The policy or policies shall be approved by the commissioner of insurance and may contain such provisions as he approves whether or not otherwise permitted by the insurance laws. It is intended that either insurance or health maintenance organization coverage may be made available for state employes, except that the procuring of each is permissive.

(3) The premiums may be paid by the policyholder:

(a) Wholly from funds contributed by the insured employe, by payroll deduction or otherwise;

(b) Wholly from funds contributed by the state or department, board or agency; or

(c) Partly from each, except that any premium due for health maintenance organization coverage over the premium amount contributed by the state or department, board or agency for any other insurance coverage shall be paid by the employe.

(4) If an employe moves his place of residence or employment out of the service area of a health maintenance organization, under which he has elected coverage, into either the service area of another health maintenance organization or into an area of the state not within a health maintenance organization service area, such employe shall be given an option, at the time of the move or transfer, to elect coverage either by the health maintenance organization into which service area he moves or is transferred or to elect standard insurance coverage offered by the employer.

(5) No payment of premium by the state or department, board or agency shall constitute compensation to an insured employe for the purposes of any statute fixing or limiting the compensation of such an employe. Any premium or other expense incurred by the state or department, board or agency shall be considered a proper cost of administration.

(6) The policy or policies may contain such provisions with respect to the class or classes of employes covered, amounts of insurance or coverage for designated classes or groups of employes, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and such other provisions as the commissioner of insurance may approve.

(7) The secretary of the department of finance is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining insurance and health maintenance organization coverage under the provisions of this section.

SECTION 46. KRS 18.510 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

As used in *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~], unless the context requires otherwise:

(1) "Employe" means a person holding an office, position or employment in state government and agencies thereof and also includes persons in the public school system.

(2) "Income" means earnings of a person while an employe of the state and agencies thereof or public school system.

(3) "Asset" means any owned physical object or right having a monetary value.

(4) "Trust fund" means a fund consisting of assets received and held by a government unit or its designated custodian to be expended or invested in accordance with conditions of the trust.

(5) "Deferred compensation" means a method which allows employes to authorize income to be deducted from their current earning and set aside to be paid at a later date.

(6) "Board" means the board of trustees as established by *Section 49 of this Act* [~~KRS 18.540~~].

SECTION 47. KRS 18.520 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The Kentucky public employes deferred compensation system is established pursuant to the provisions of *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~], and shall transact all of its business and shall have the powers and privileges of a corporation.

SECTION 48. KRS 18.530 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

A state fund is hereby authorized, called "The Kentucky State Public Employes Deferred Compensation Trust Fund," which shall consist of all of the assets of the system as set forth in *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~].

SECTION 49. KRS 18.540 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) The system shall be administered by a board of trustees composed of five (5) members, who shall be as follows:

(a) Commissioner of insurance, ex officio;

(b) Secretary, department of finance, ex officio;

(c) Commissioner of personnel, ex officio;

(d) Two (2) members appointed by the governor of the Commonwealth.

(2) The members of the board appointed by the governor shall serve for a period of four (4) years and the ex officio members of the board shall serve only for the period of their term of office.

(3) Any vacancy which may occur shall be filled in the same manner provided for the selection of the particular member for a full term. Vacancies shall be filled for the unexpired term only.

(4) Membership on the board of trustees shall not be incompatible with any other office unless a constitutional incompatibility exists, and no member shall be subject to removal from office except upon conviction of a felony, or of a misdemeanor involving moral turpitude.

(5) Board members who do not otherwise receive a salary or compensation from the state treasury shall receive a per diem of forty-five dollars ($45) for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with [~~normal~~] state regulations and standards *applicable to state employes.*

(6) The board shall meet at least once in each quarter of the year, and may meet in special session upon the call of the chairman. It shall elect a chairman and a vice-chairman. A majority of the members shall constitute a quorum, and all actions taken by the board shall be by affirmative vote of a majority of the members present.

(7) The board may, but is not limited to the following actions:

(a) Appoint or contract for the services of an executive secretary as provided in KRS 12.050 and fix his compensation. The executive secretary shall be the chief administrative officer of the board;

(b) Appoint such other employes as it deems necessary and fix the compensation for all employes of the board, subject to the approval of the commissioner [~~of personnel~~];

(c) Require such employes as it thinks proper to execute bonds for the faithful performance of their duties;

(d) Establish a system of accounting;

(e) Contract for such services as may be necessary for the operation or administration of deferred compensation plans authorized in *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~], including annual audits;

(f) Do all things, take all actions and make all rules and regulations, not inconsistent with the provisions of *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~].

(8) All employes of said board shall serve during its will and pleasure.

(9) The attorney general, or an assistant designated by him, may act as legal adviser and attorney for the board. The board may also appoint legal counsel in accordance with KRS Chapter 12.

(10) The board shall prepare an annual financial report showing all receipts, disbursements, assets and liabilities and shall submit a copy to the governor and legislative research commission. All board meetings and records shall be open for inspection by the public.

SECTION 50. KRS 18.550 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

Subject to the approval of the board of trustees of the Kentucky state public employes deferred compensation system, the department of finance shall establish a deferred compensation plan for the employes of the state of Kentucky. Participation in such plan shall be by a specific written agreement between such employes and the state and shall provide for the deferral of such amount of compensation as requested by the employe. Participating employes must authorize that such deductions be made from their wages for the purpose of participation in such program. Amounts so deducted shall be deposited in the state treasury to the credit of the trust fund.

SECTION 51. KRS 18.560 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~], funds held for the state of Kentucky public employes deferred compensation trust fund pursuant to written deferred compensation agreement between the state and participating employes may be invested, in such investments as are deemed appropriate by the trustees including, but not limited to annuity contracts.

(2) Funds deposited to the credit of the trust fund from payroll deductions made pursuant to *Section 50 of this Act* [~~KRS 18.550~~] shall be temporarily invested as provided in KRS 41.380 until such funds are invested pursuant to the written deferred compensation agreements between the state and participating employes and actually credited to accounts for plan participants. Notwithstanding KRS 41.380(3), interest earned from such temporary investments shall be used to defray the expenses of administering the deferred compensation system.

SECTION 52. KRS 18.570 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

In no case shall such investment be other than permitted by *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~] and not prohibited by section 177 of the Kentucky constitution and must be offered by such persons or companies authorized and duly licensed by the state of Kentucky and applicable federal regulatory agencies to offer such insurance or investment programs in compliance with all relevant provisions of *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~].

SECTION 53. KRS 18.580 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A TO READ AS FOLLOWS:

Such a deferred compensation program shall be in addition to any retirement or any other benefit program provided by law for employes of this state. Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the retirement and pension benefits earned by any employe. But, any sum so deducted shall not be included in the computation of any income taxes withheld on behalf of any such employe.

SECTION 54. KRS 18.590 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Any city, county, or other political subdivision or combination of these entities may establish for its employes a deferred compensation program. Participation shall be by written agreement between such employes and the legislative authority of the city, county, or other political subdivision providing for the deferral of such compensation and the subsequent investment and administration of such funds.

(2) Such subdivision, acting through its legislative authority, may appoint such agency or department as it deems appropriate to establish and administer a deferred compensation plan pursuant to *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~]. For purposes of funding such agreements between the city, county, or other such political subdivision and the participating employes, the agency or department as designated by the legislative authority to establish and administer such plans may invest such funds in such investments deemed appropriate by said agency or department, including, but not limited to annuity contracts.

(3) In no case shall such investment be other than permitted by *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~] and not prohibited by section 179 of the Kentucky constitution and must be offered by such persons or companies authorized and duly licensed by the state of Kentucky and applicable federal regulatory agencies to offer such insurance or investment programs in compliance with all relevant provisions of *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~].

(4) Such a deferred compensation program is in addition to any retirement or pension system or any other benefit program provided by law for employes of the city, county, or other political subdivision. Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the retirement and pension benefits earned by any employe but any sum so deducted shall not be included in the computation of any income taxes withheld for any such employe.

(5) This section does not limit the power or authority of any municipal corporation or other political subdivision to provide other such plans or programs for deferring compensation of their officials and employes.

SECTION 55. KRS 18.600 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

The state treasurer shall be the custodian of the funds collected under *Section 47 of this Act* [~~KRS 18.520~~] and shall upon warrants issued by the department of finance pay to the board the amounts so collected to be administered as provided in *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~]. The treasurer of the local unit of government shall likewise be the custodian of any funds created by *Section 54 of this Act* [~~KRS 18.590~~] and shall pay to the board the amounts so collected to be administered as provided in *Sections 46 to 55 of this Act* [~~KRS 18.510 to 18.600~~].

SECTION 56. KRS 18.990 IS REPEALED AND RE-ENACTED AS A NEW SECTION OF KRS CHAPTER 18A AND AMENDED TO READ AS FOLLOWS:

(1) Any person who wilfully violates any provision of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.340~~] or of the rules shall be guilty of a misdemeanor, and shall upon conviction be punished therefor with a sentence of from thirty (30) days to a maximum of six (6) months in jail.

(2) Any person who is convicted of a misdemeanor under *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.340~~] shall, for a period of five (5) years, be ineligible for appointment to or employment in a position by the Commonwealth, and if he is an officer or employe of the Commonwealth, shall forfeit his office or position.

(3) Any officer or employe of the classified service who wilfully violates any of the provisions of *Section 28 of this Act* [~~KRS 18.310~~] shall forfeit his office or position, and for one (1) year shall be ineligible for any office or position in the Commonwealth's service. Violation of *Section 28 of this Act* [~~KRS 18.310~~] shall constitute a misdemeanor subject to a sentence of from thirty (30) days to a maximum of six (6) months in jail.

Section 57. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, *in the case of the personnel board and* [~~that~~] where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Board of elections.
4. Department of law.
(a) Consumers advisory council.
(b) Travel assistance board.
5. Department of the treasury.
6. Department of agriculture.
(a) State board of agriculture.
(b) Milk marketing and antimonopoly commission.
7. Department of education.
(a) Superintendent of public instruction.
(b) State board for elementary and secondary education.
(c) The department for elementary and secondary education.
(d) State board for occupational education.
(e) The department for occupational education.
(f) State textbook commission.
8. Auditor of public accounts.
9. Railroad commission.
II. Cabinet departments headed by appointed officers:
1. Department of finance.
(a) State property and buildings commission.
(b) Turnpike authority of Kentucky.
(c) Capital plaza authority.
(d) Kentucky pollution abatement authority.
(e) Kentucky health and geriatric authority.
(f) Kentucky savings bond authority.
(g) Spindletop foundation.
(h) Kentucky public employes deferred compensation system.
2. Department of transportation.
(a) Railroad commission.
(b) Motor vehicle dealers board.
3. Department for natural resources and environmental protection.
(a) Environmental quality commission.
(b) Soil and water conservation commission.
(c) Ohio river sanitation commission.
4. Department of justice.
(a) Kentucky crime commission.
(b) Parole board.
(c) Kentucky law enforcement council.
(d) Commission on corrections and community service.
(e) State police personnel board.
5. Department for human resources.
(a) Citizens commission for human resources.
(b) Advisory council for medical assistance.
(c) Unemployment insurance commission.
(d) Certificate of need and licensure board.
(e) Generic formulary council.
(f) Kentucky cancer commission.
(g) Statewide health coordinating council.
6. Department of energy.
(a) Bureau of energy research.
(b) Bureau of energy management.
(c) Advisory council for energy and natural resources.
(d) Energy research board.

(c) Kentucky geological survey.
Cabinet for development
Department of agriculture (headed by elected officer).
7. Department of commerce.
(a) Kentucky industrial development finance authority.
8. Department of fish and wildlife resources.
(a) Fish and wildlife resources commission.
9. Department of parks.
(a) Breaks interstate park commission.
10. Kentucky historical events celebration commission.
11. State fair board.
12. Economic development commission.
13. The governor's council on agriculture.
14. Kentucky film commission.
15. Department for local government.
16. State horse park board.
17. Office for program administration.
18. Kentucky urban development office.
19. Kentucky tobacco research board.
Cabinet for education and the arts.
20. Kentucky arts commission.
21. Bureau for the blind.
Department of education (headed by elected officer).
22. Kentucky authority for educational television.
23. Kentucky heritage commission.
24. Kentucky historical society.
25. Department of library and archives.
(a) State archives and records commission.
(b) State board for certification of librarians.
26. Advisory council for vocational education and manpower development and training.
Cabinet for public protection and regulation.
27. Department for alcoholic beverage control.
(a) Alcoholic beverage control board.
28. Department of banking and securities.
29. Department of insurance.
(a) Custodian of insurance securities.
30. Department of labor.
(a) Workmen's compensation board.
(b) Occupational safety and health standards board.
(c) State labor relations board.
31. Department of mines and minerals.
32. Kentucky registry of election finance.
33. Energy regulatory commission and utility regulatory commission.
34. Kentucky quarterhorse and appaloosa commission.
35. Kentucky state racing commission.
36. Kentucky harness racing commission.
37. Kentucky board of tax appeals.
38. Department of housing, buildings and construction.
(a) Kentucky housing corporation.
39. Board of claims.
40. Crime victims compensation board.
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. Department of personnel.
(a) Personnel board.
3. Department of public information.
4. Department of revenue.
5. Human rights commission.
6. Council on higher education.
7. Teachers' retirement system.
8. Kentucky employes' retirement system.

9. Commission on women.

Section 58. KRS 12.025 is amended to read as follows:

(1) Recognizing the necessity for grouping certain related functions of departments and administrative bodies in order to promote greater economy, efficiency and improved administration in establishing more effective organizational patterns and also recognizing the fact that such groupings and revisions in the general organizational structure need to be made as rapidly as possible when administrative functions change and the needs of government dictate, the governor may:

(a) Establish, abolish or alter the organization of any agency or statutory administrative department, including changing the name of a department to explain more clearly the functions performed by it. Also included in this authority shall be permission to transfer functions, personnel, funds, equipment, facilities and records from one (1) department to another. *The authority granted by this section shall not extend to the personnel board.* Reorganization made under this section shall be set forth in an executive order, signed by the governor and filed in the office of the secretary of state, which shall explain the changes made and designate the functions, personnel, funds, equipment, facilities and records, as applicable, to be transferred. The governor shall recommend legislation to the next following session of the general assembly to confirm reorganizations effected under the provisions of this section.

(b) Appoint advisory or study committees to assist and recommend to him on problems concerning the various functions and departments of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

Section 59. KRS 41.060 is amended to read as follows:

The treasurer shall appoint an assistant and may remove him at pleasure. The assistant may perform any of the duties of the treasurer, excepting the signing of checks, and shall perform the duties of clerk. If the treasurer is disabled by sickness, or if he absents himself from the seat of government, he shall notify the governor in writing of the facts, and recommend his assistant or some other person to discharge the duties of the office during his sickness or absence. If the governor approves the recommendation he shall enter his approval on the executive journal, after which the assistant or other person may perform all the duties of the treasurer until he is restored to health or returns to the seat of government. The treasurer and his sureties shall be responsible on his bond for all the acts and omissions of the assistant. The salary of the assistant shall be fixed by the treasurer, subject to the provisions of KRS 12.050, 12.060 and *Sections 4, 19 to 22, 24 to 33, 36 and 37 of this Act* [~~18.210 to 18.320~~].

Section 60. KRS 42.035 is amended to read as follows:

(1) The department of finance shall be responsible for the management, maintenance, and operation, including the purchase for all purposes of all food and related supplies, of the executive mansion, and further including the reasonable and necessary expenses of the chief executive while traveling on business of the Commonwealth outside of the state. Such personnel, including domestic and household servants, as are necessary for the operation and maintenance of the executive mansion shall be employed by the department of finance. The provisions of KRS Chapter 42 shall apply to all purchases made for the maintenance and operation of the mansion. None of the provisions of *Sections 22 and 31 of this Act* [~~KRS 18.210 and 18.220~~] shall apply to personnel employed for the maintenance and operation of the mansion.

(2) A reasonable amount shall be deducted from the salary or other allowance of the governor for the consumption by the governor and his family of such food and supplies.

(3) A reasonable amount shall be deducted from the salaries of personnel employed in operational and maintenance functions, including domestic and household servants, for the consumption by such personnel of such food and supplies.

(4) The department of finance shall maintain such records relative to the management, maintenance, and operation of the governor's mansion and travel expenses of the chief executive as may be dictated by sound accounting practices.

Section 61. KRS 42.037 is amended to read as follows:

(1) The department of finance shall be responsible for the management, maintenance, and operation, including the purchase for all purposes of all food and related supplies, of the old governor's mansion. Such personnel, including domestic and household servants, as are necessary for the operation and maintenance of the old governor's mansion shall be employed by the department of finance. The provisions of KRS Chapter 42 shall apply to all purchases made for the maintenance and operation of the old governor's mansion. None of the provisions of *Sections 22 and 31 of this Act* [~~KRS 18.210 and 18.220~~] shall apply to the personnel employed for the maintenance and operation of the old governor's mansion.

(2) A reasonable amount shall be deducted from the salary or other allowance of the lieutenant governor for the consumption by the lieutenant governor and his family of such food and supplies.

(3) A reasonable amount shall be deducted from the salaries of personnel employed in operational and maintenance functions, including domestic and household servants, for the consumption by such personnel of such food and supplies.

(4) The department of finance shall maintain such records relative to the management, maintenance, and operation of the lieutenant governor's mansion as may be dictated by sound accounting practices.

Section 62. KRS 61.569 is amended to read as follows:

(1) A reinstated employe who has been ordered reinstated by the personnel board under authority of *Section 19 of this Act* [~~KRS 18.270~~] and accepts employment by a participating employer shall tender to the retirement board the member contribution he would have paid on the creditable compensation he would have earned as defined under *Section 21 of this Act* [~~KRS 18.275~~] had he not been dismissed. The employer shall pay the employer contributions as defined under *Section 21 of this Act* [~~KRS 18.275~~] on the member's creditable compensation.

(2) No service credit shall be allowed for any time that the member contributions are not paid.

Section 63. KRS 64.640 is amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, employes of the general assembly, including employes of the legislative research commission, members of boards and commissions, those officers and employes of Kentucky Educational Television exempt from classified service as provided in *Section 23 of this Act* [~~KRS 18.140~~], presidents and employes of the state universities and the state colleges, and persons employed by the commissioner of parks on a temporary basis under KRS 148.026, the department of personnel shall prepare a schedule of compensation, payable out of the state treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules, the department of personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in *Sections 6, 7, 22, 26, 27 and 30 to 32 of this Act* [~~KRS 18.190 to 18.230~~]. No such schedule shall become effective until it has been approved by the governor.

(2) The governor shall set the compensation payable out of the state treasury to each officer or position in the state service, which officer or position heads a statutory administrative department, independent agency, or other unit of state government except for those excluded under subsection (1). Such compensation shall be based upon studies of the duties and responsibilities and classification of the positions by the governor and upon a comparison with compensation being paid for similar or comparable services elsewhere, provided, however, such compensation shall not exceed the amount provided for compensation to the governor in KRS 64.480, the provisions of KRS 64.660 to the contrary notwithstanding.

(3) The compensation payable out of the state treasury to officers and employes subordinate to any office or position covered by subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the *public service commission* [~~energy regulatory commission and utility regulatory commission~~] of Kentucky whose compensation shall be fixed, within constitutional limits, by the department of personnel with the approval of the governor as provided in subsection (1) of this section.

(4) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

Section 64. KRS 61.637 is amended to read as follows:

(1) A retired member who is receiving monthly retirement payments under any of the provisions of KRS 61.510 to 61.692 and 78.510 to 78.852 and who is reemployed as an employe by a participating agency shall have his retirement payments suspended for the duration of such reemployment. Monthly payments shall not be suspended for a retired member who is reemployed if he anticipates that he will receive less than the maximum permissible earnings as provided by the Federal Social Security Act in compensation as a result of reemployment during the calendar year. The payments shall be suspended at the beginning of the month in which the reemployment occurs.

(2) Employer and employe contributions shall be made as provided in KRS 61.510 to 61.692 and 78.510 to 78.852 on the compensation paid during such reemployment except where monthly payments were not suspended as provided in subsection (1) of this section and the member shall be credited with additional service credit.

(3) In the month following the termination of reemployment, retirement allowance payments shall be reinstated under the plan under which the member was receiving payments prior to reemployment.

(4) (a) Notwithstanding the provisions of this section, the payments suspended in accordance with subsection (1) of this section shall be paid retroactively to the retired member, or his estate, provided he does not receive more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment.

(b) In the event the retired member is paid suspended payments retroactively in accordance with this section, employe contributions deducted during his period of reemployment, if any, shall be refunded to the retired employe and no service credit shall be earned for the period of reemployment.

(c) In the event the retired member is not eligible to be paid suspended payments for his period of reemployment as an employe, his retirement allowance shall be recomputed under the plan under which the member was receiving payments prior to reemployment as follows:

1. The retired member's final compensation shall be recomputed using creditable compensation for his period of reemployment; however, the final compensation resulting from the recalculation shall not be less than that of the member when his retirement allowance was last determined.

2. If the retired member initially retired on or subsequent to his normal retirement date his retirement allowance shall be recomputed by using the formula in subsection (1) of KRS 61.595.

3. If the retired member initially retired prior to his normal retirement date his retirement allowance shall be recomputed using the formula in subsection (2) of KRS 61.595, except that the member's age used in computing benefits shall be his age at the time of his initial retirement increased by the number of months of service credit earned for service performed during reemployment.

4. The retirement allowance payments resulting from the recomputation under this subsection shall be payable in the month following the termination of reemployment in lieu of payments under subparagraph 3; provided, however, the member shall not receive less in benefits as a result of the recomputation than he was receiving prior to reemployment or would receive as determined under KRS 61.691.

5. Any retired member who was reemployed prior to March 26, 1974, shall begin making contributions to the system in accordance with the provisions of this section on the first day of the month following March 26, 1974.

(5) A retired member, or his estate, shall pay to the retirement fund the total amount of payments which are not suspended in accordance with subsection (1) of this section if the member received more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment, except such retired member or his estate may repay the lesser of the total amount of payments which were not suspended or fifty (50) cents of each dollar earned during reemployment over the maximum permissible earnings.

(6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a retired member who has been ordered reinstated by the personnel board under authority of *Section 19 of this Act* [~~KRS 18.270~~].

(b) A retired member who has been ordered reinstated by the personnel board under authority of *Section 19 of this Act* [~~KRS 18.270~~] and accepts employment by an agency participating in the Kentucky employes retirement system shall void his retirement by reimbursing the system in the full amount of his retirement allowance payments received.

(7) In the event a retired hazardous position member or a member of the state police retirement system is receiving benefits under partial disability as provided for under KRS 16.586 and is reemployed in a nonhazardous position, the board is hereby authorized to waive or modify the foregoing provisions of this section and permit such person to receive a partial disability retirement allowance while accruing retirement benefits in a nonhazardous position.

Section 65. KRS 61.645 is amended to read as follows:

(1) The system shall be administered by the board of trustees of the Kentucky retirement systems composed of nine (9) members, who shall be selected as follows:

(a) The commissioner of personnel shall serve as trustee for as long as he occupies the position of commissioner under *Section 3 of this Act* [~~KRS 18.160~~] except as provided under subsections (5) and (6) of this section;

(b) Two (2) trustees, who must be members or retired from the county employes retirement system, elected by the members of the county employes retirement system;

(c) One (1) trustee, who must be a member or retired from the state police retirement system, elected by the members of the state police retirement system;

(d) Two (2) trustees, who must be members or retired from the Kentucky employes retirement system, elected by the members of the Kentucky employes retirement system;

(e) Three (3) trustees appointed by the governor of the Commonwealth.

(2) The board is hereby granted the powers and privileges of a corporation including, but not limited to the following powers:

(a) To sue and be sued in its corporate name;

(b) To make bylaws not inconsistent with the law;

(c) To conduct the business and promote the purposes for which it was formed;

(d) To contract for investment counseling, actuarial, auditing and other professional services as its statutory purpose may require without limitations of KRS 45.360;

(e) To acquire, hold, sell, dispose of, pledge, lease or mortgage any such property as its purpose may require, notwithstanding the limitations of KRS Chapters 45 and 56; provided, however, that the board is not authorized to construct a building; and

(f) The board shall reimburse any trustee or officer for any legal expense resulting from a civil action arising out of the performance of his official duties.

(3) (a) Notwithstanding the provisions of subsection (1) of this section, each trustee shall serve a term of four (4) years or until his successor is duly qualified except as otherwise provided in this section.

(b) The trustee to be elected by the members of the county employes retirement system who replaces the attorney general on the board shall have an initial term expiring on March 31, 1977 and nominations for this position and the election process shall take place within ninety (90) days after March 26, 1974, with the attorney general serving until such elected member has been duly qualified and administered the oath of office.

(c) The term of office of the trustee elected by the membership of the Kentucky employes retirement system which now expires on December 10, 1975, shall be succeeded by a term expiring on March 31, 1978.

(4) (a) The trustees selected by the membership of each of the various retirement systems shall be elected by ballot. For each trustee to be elected the board shall nominate not less than six (6) months before a term of office of a trustee is due to expire at least three (3) constitutionally eligible individuals.

(b) Individuals may be nominated by the retirement system members which are to elect the trustee by presenting to the general manager not less than four (4) months before a term of office of a trustee is due to expire, a petition, bearing the name, social security number, and signature of no less than one-tenth (1/10) of the number voting in the last election by said retirement system members.

(c) Within three (3) months of the nominations made in accordance with paragraphs (a) and (b) of this subsection, the general manager shall cause to be prepared an official ballot. The ballot shall carry the name, address, and position title of each individual nominated by the board and by petition. Provisions shall also be made for write-in votes.

(d) The ballots shall be distributed to the eligible voters by mail to their last known residence address.

(e) The ballots shall be addressed to the tabulating committee in care of a predetermined box number at the United States Post Office, Frankfort, Kentucky. Access to this post-office box shall be limited to the tabulating committee consisting of three (3) discreet persons appointed by the general manager to count the ballots and tabulate the votes. The individual receiving a plurality of votes shall be declared elected.

(f) The eligible voter shall cast his ballot by checking a square opposite the name of the candidate of his choice. He shall record his social security number, sign, and mail the ballot at least thirty (30) days prior to the date the term to be filled is due to expire. The latest mailing date shall be printed on the ballot.

(g) The tabulating committee shall report in writing the outcome to the chairman of the board of trustees. Cost of an election shall be payable from the funds of the system for which the trustee is elected.

(5) Any vacancy which may occur in an appointed position shall be filled in the same manner which provides for the selection of the particular trustee, and any vacancy which may occur in an elected position shall be filled by appointment by a majority vote of the remaining trustees, and should the commissioner of personnel resign his position as trustee it shall be filled by appointment made by the governor; however, any vacancy shall be filled only for the duration of the unexpired term.

(6) Membership on the board of trustees shall not be incompatible with any other office unless a constitutional incompatibility exists. No trustee may serve in more than one (1) position as trustee on the board and should a trustee be in more than one (1) position as trustee on the board, he is hereby permitted a choice of resigning any position. No trustee shall be subject to removal from office except upon conviction of a felony, or of a misdemeanor involving moral turpitude.

(7) Trustees who do not otherwise receive a salary from the state treasury shall receive a per diem of sixty dollars ($60.00) for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with normal state regulations and standards.

(8) The board shall meet at least once in each quarter of the year and may meet in special session upon the call of the chairman or the general manager. It shall elect a chairman and a vice-chairman. A majority of the trustees shall constitute a quorum, and all actions taken by the board shall be by affirmative vote of a majority of the trustees present.

(9) The board shall:

(a) Appoint or contract for the services of a general manager, and fix his compensation without limitation by the provisions of KRS Chapter *18A* [~~18~~] and KRS 64.640. The general manager shall be the chief administrative officer of the board;

(b) Appoint such other employes as it deems necessary and fix the compensation for all employes of the board, subject to the approval of the commissioner of personnel;

(c) Require the general manager and such employes as it thinks proper to execute bonds for the faithful performance of their duties notwithstanding the limitations of KRS Chapter 62;

(d) Establish a system of accounting; and

(e) Do all things, take all actions and make all rules and regulations, not inconsistent with the provisions of KRS 61.510 to 61.692 and 16.510 to 16.652 and 78.510 to 78.852, that it deems necessary or proper in order to carry out the provisions of KRS 61.510 to 61.692 and 16.510 to 16.652 and 78.510 to 78.852.

(10) All employes of said board shall serve during its will and pleasure.

(11) The attorney general, or an assistant designated by him, may attend each meeting of the board and shall receive the agenda, board minutes and other information distributed to trustees of the board and the attorney general may act as legal adviser and attorney for the board and the board is hereby authorized to contract for legal services notwithstanding the limitations of KRS Chapter 12.

(12) The board shall prepare and publish an annual financial report showing all receipts, disbursements, assets and liabilities. The annual report shall include a copy of an audit conducted in accordance with generally accepted auditing standards. The board may select an independent certified public accountant or the auditor of public accounts to perform the audit. If the audit is performed by an independent certified public accountant, the auditor of public accounts shall not be required to perform an audit pursuant to KRS 43.050(2)(a), but may perform an audit at his discretion. All proceedings and records of the board shall be open for inspection by the public. The board shall make copies of the audit required by this subsection available for examination by any member, retiree or beneficiary in the office of the general manager of the Kentucky retirement systems and in such other places as may be necessary to make the audit available to all members, retirees and beneficiaries. A copy of the annual audit shall be sent to the legislative research commission no later than ten (10) days after receipt by the board.

(13) All expenses incurred by or on behalf of the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the board in the administration of the system during any fiscal year shall not exceed two per cent (2%) of the total employer and member contributions during such fiscal year.

(14) Any person adversely affected by a decision of the board involving KRS 16.510 to 16.652 and 61.510 to 61.692 and 78.510 to 78.852, may appeal the decision of the board to the Franklin circuit court.

Section 66. KRS 131.330 is amended to read as follows:

The Kentucky board of tax appeals, subject to the provisions of *Section 1 to 37 of this Act* [~~KRS 18.110 to 18.340~~], shall appoint a clerk of the Kentucky board of tax appeals with the qualifications hereinafter prescribed, and such clerical assistance as authorized by the department of finance. The clerk of the Kentucky board of tax appeals shall be a person holding a degree from an accredited college or university.

Section 67. KRS 132.370 is amended to read as follows:

(1) There shall be a property valuation administrator in each county in lieu of a county assessor.

(2) Property valuation administrators shall be elected in the year in which county elections are held and shall enter upon the discharge of the duties of their office on the first Monday in December after their election and continue in office for a period of four (4) years, and until the election and qualification of their successors. Property valuation administrators shall possess the qualifications required by section 100 of the constitution and by KRS 132.380 and shall be eligible for re-election.

(3) The property valuation administrators and all deputies and assistants of their offices who qualify as full time employes, shall be eligible for participation in the provisions of *Sections 41, and 46 to 55 of this Act* [~~KRS 18.410, 18.510 through 18.600~~] and 61.510 *to* [~~through~~] 61.692.

(4) A property valuation administrator may be removed from office by the circuit court of his county, upon petition of the department or any taxpayer, for wilful disobedience of any just or legal order of the department, or for misfeasance or malfeasance in office or wilful neglect in the discharge of his official duties, but he or the petitioner may appeal to the Court of Appeals.

Section 68. KRS 148.026 is amended to read as follows:

The commissioner of parks may employ or contract with such other persons, firms or corporations as he may deem necessary or desirable to accomplish the duties and functions assigned by law to the department of parks; may fix the compensation and the terms of employment or contract of those employed or contracted with; and may assign to them such duties and responsibilities as he may determine; provided, however, that any contract shall be approved by the department of finance before it shall become effective. Individuals employed by the commissioner of parks on a temporary basis for specific construction projects under KRS 56.491(5) or for maintenance projects shall be exempt from the requirements of *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.360~~].

Section 69. KRS 171.311 is amended to read as follows:

The Kentucky Historical Society created by Acts 1880, ch. 244, shall have all the powers and liabilities of a corporation and there is hereby granted to the society the following charter:

I

The Kentucky Historical Society shall collect, maintain and preserve authentic records, information, facts and relics connected with the history of the Commonwealth and the genealogy of her peoples; and promote a wider appreciation of the American heritage, with particular emphasis on the advancement and dissemination of knowledge of the history of Kentucky. The society may receive and hold by donation or devise, real or personal property to any extent and may, by gift, loan, purchase or otherwise hold books, papers, documents, historical memorials, and any other articles suited to promote the objects of the society in the Old State Capitol Building but all such property shall be held in trust for the Commonwealth of Kentucky according to the terms of acceptance.

II

All American citizens, partnerships, corporations or associations who shall evidence their dedication to the promotion of the objects and purposes of the society may become active members thereof upon their approval under regulations prescribed by the executive committee, and the payment of annual dues in a sum determined by the executive committee. Any person possessing the qualifications for membership may become a life member on the payment of a sum determined by the executive committee. The executive committee may determine classes of memberships and establish respective rates of dues. Every member in good standing, including the authorized representative of an institutional member, shall have the right to vote in person or by proxy, hold office, and otherwise take part in the proceedings of the society. Membership may be terminated by resignation or nonpayment of dues.

III

The officers of the society shall be a chancellor, who shall be the Governor of the Commonwealth of Kentucky, a president, first, second and third vice-presidents, who shall be ex-officio members of the executive committee. All officers, except the chancellor, shall be elected for a term of one year at the annual meeting of the society in a manner provided by law, and the president shall be ineligible to succeed himself if he has been elected for two (2) successive terms.

IV

There is hereby created an executive committee which shall consist of sixteen members, the officers of the society and one person designated annually by the state archives and records commission. The sixteen (16) members of the executive committee shall be divided into four (4) equal classes, so arranged that the terms of one class shall expire at each annual meeting of the society. The class whose term expires shall be ineligible to succeed itself.

V

The executive committee shall execute all the powers and duties conferred on the society, except those expressly delegated to the officers. It shall adopt bylaws at any regular or special meeting. It shall supervise and direct the financial concerns of the society, approve an annual budget and provide for and fix the salaries of employes, subject to the approval of the department of personnel. It shall provide for reimbursement of travel expenses of employes and may provide for reimbursement of expenses of officers and members of the executive committee incurred in performing specific duties assigned to them. It shall appoint a director, who shall be the management officer of the society under the direction of the president and policies established by the executive committee, and an assistant director, who shall assume the duties of the director in his absence and perform such other duties as may be assigned to him by the director. It shall establish and prescribe the duties of such other positions as are necessary to operate the society, and all persons engaged to fill such positions shall be employed by the director, subject to the approval of the executive committee, which approval shall constitute exemption from *Sections 1 to 40 of this Act* [~~KRS 18.110 to 18.370~~], and their work shall be under the director's supervision.

The committee shall provide for the publication or preservation of historical documents and manuscripts; publish an edition to be known as the "Register"; provide by contract, subject to the approval of the department of finance, for all the printing, publication and distribution of reports, books and other publications calculated to promote and advance the historical interest of Kentucky and augment the society's various collections at all times. It shall supervise and direct the ordinary affairs of the society; appoint a nominating committee; and determine other necessary committees of which the president and the director of the society shall be ex-officio members. The committee shall cooperate with, provide assistance to and coordinate its functions with those of the state archives and records commission. It may designate honorary members of the society and it shall have the power to fill any vacancies until the next annual meeting, including those occurring within its own membership.

VI

The executive committee shall hold regular meetings in January, April, July and October. Matters to be determined and discussed at such meetings shall be furnished the director at least ten (10) days prior to such meetings in order that he may prepare and distribute an agenda to each member of the committee at least three (3) days before the meeting. Special meetings shall be held at the request of the president or any three (3) members of the committee, in which case the director shall give written notice together with the agenda of such meeting at least ten (10) days in advance. In an emergency, nine (9) members of the committee may waive the provision of notice.

VII

The regular annual meeting of the society shall be held in the Old State Capitol Building on the first Friday after the first Monday in November. The meeting shall be open to all members. Special meetings may be called in Frankfort or elsewhere by the president or a majority of the executive committee or by the director upon the written request of twenty (20) members of the society. Members shall have fifteen (15) days written notice of the time, place and object of the meeting.

VIII

Twenty-five (25) members shall constitute a quorum for the transaction of all business at any meeting of the society, and one-third of the membership of the executive committee shall constitute a quorum at their respective meetings.

IX

The Chancellor of the Society, at his discretion, may preside at any meeting of the society or the executive committee, or he may participate otherwise in any meetings.

X

The president of the society shall be the chief executive officer of the society and shall preside over meetings of the society or the executive committee in the absence of the chancellor or at his request. He shall recommend the appointment of all necessary or desirable committees and he shall name persons to comprise such committees, except the nominating committee.

XI

The vice-presidents of the society shall preside in the absence of their successive superiors in office at all meetings of the society and the executive committee. They shall attend all regular and special meetings of the society and the executive committee and endeavor to familiarize themselves with the conduct and operations of the affairs of the society. They shall aid and assist the president in the performance of his duties, counsel and advise the executive committee and endeavor at all times to advance and promote the public interest in the history of Kentucky and her people.

XII

Nominations to membership on the executive committee and to the offices of president, first vice-president, second vice-president and third vice-president shall be made by a nominating committee or by any member present at the regular annual meeting. The nominating committee shall consist of five (5) members, shall be appointed at the first regular meeting of the executive committee after the annual meeting of the society and shall consider candidates to fill vacancies in the executive committee and offices which will occur at the subsequent annual meeting. The nominating committee shall meet in the office of the society forty-five (45) days prior to the annual meeting and nominate candidates to fill vacancies on the executive committee and at least one (1) candidate for the office of president, first vice-president, second vice-president, and third vice-president, and file same with the president. Upon the call for the election of officers the president shall promptly report the nomination by the nominating committee together with all other nominations. When more than the required number of candidates have been nominated for membership on the executive committee or more than one (1) candidate for the offices to be filled, the president shall call for an election by the vote of those present, together with the number of votes cast by proxy, and a plurality of all votes cast shall be sufficient to elect. Where no vote count is required the president shall cast one (1) vote for each candidate and he or she shall be declared elected.

XIII

This charter may be amended by a two-thirds vote of the members present and voting at any regular meeting or at any special meeting of the society called for the purpose, provided that written notice containing the substance of the proposed amendments shall have been mailed to members not less than thirty (30) days in advance of such meeting and the same approved as an amendment by the first General Assembly, meeting after the action of the society.

Section 70. KRS 247.140 is amended to read as follows:

(1) The state fair board:

(a) Shall have the custody and control of such property as now is under its custody and control, and of such property as may hereafter be placed under its control or transferred to it by the state property and buildings commission, for any purposes mentioned in this section and the physical properties so under its custody and control or transferred to it are hereinafter referred to in this section, and in KRS 247.150 and 247.160, as the "state fair grounds and an area in a city of the first class to be used as an exhibition center."

(b) May erect and repair buildings on the state fair grounds and exhibition center, make any and all necessary or proper improvements, and generally carry on a program of development and extension of facilities designed to accomplish the objects defined in this section.

(c) Shall promote the progress of the state and stimulate public interest in the advantages and development of the state by providing the facilities of the state fair grounds for agricultural and industrial exhibitions, public gatherings, cultural activities, and other functions calculated to advance the educational, physical and cultural interests of the public and by providing the facilities of the exhibition center for conventions, trade shows, public gatherings and other functions calculated to advance and enhance the visitor industry, economy, entertainment, cultural and educational interests of the public.

(d) May hold an annual fair on the state fair grounds, for the exhibition of agricultural, mechanical, horticultural, dairy, forestry, poultry, livestock, mineral, and all other industrial interests of the state, and prepare premium lists and establish rules of exhibition for the fair.

(e) May purchase liability insurance for the members and executive officers exempted from the classified service of the state by *Section 23 of this Act* [~~KRS 18.140~~].

(2) The state fair board may take, acquire and hold property, and all interest therein, by deed, gift, devise, bequest, lease, or eminent domain, or by transfer from the state property and buildings commission, and may dispose of any property so acquired in the manner provided by law. In the exercise of its power of eminent domain it shall proceed in the manner provided in the Eminent Domain Act of Kentucky.

Section 71. KRS 278.115 is amended to read as follows:

The commissions by regulation shall organize their offices for administration and management under the executive director to reflect their functions. The organization may be changed from time to time and may include division directors subject to the exemption from the classified service as provided in *Section 23(1)(h) of this Act* [~~KRS 18.140(1)(h)~~].

Section 72. KRS 506.120 is amended to read as follows:

(1) No person, with the purpose to establish or maintain a criminal syndicate or to facilitate any of its activities, shall do any of the following:

(a) Organize or participate in organizing a criminal syndicate or any of its activities;

(b) Provide material aid to a criminal syndicate or any of its activities, whether such aid is in the form of money or other property, or credit;

(c) Manage, supervise, or direct any of the activities of a criminal syndicate, at any level of responsibility;

(d) Knowingly furnish legal, accounting, or other managerial services to a criminal syndicate;

(e) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of, any offense of a type in which a criminal syndicate engages on a continuing basis;

(f) Commit, or conspire or attempt to commit or act as an accomplice in the commission of, any offense of violence;

(g) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of bribery in violation of KRS Chapters 518 or 521, or KRS 119.205, 121.025, 121.055, 524.070, 156.465, 45A.340, 63.090, 6.080, *Section 29 of this Act* [~~18.320~~], 244.390 or 244.600.

(2) Whoever violates this section is guilty of engaging in organized crime, which shall be a class B felony.

(3) As used in this section "criminal syndicate" means five (5) or more persons collaborating to promote or engage in any of the following on a continuing basis:

a. Extortion or coercion in violation of KRS 514.080, 276.280, 276.310, or 521.020;

b. Engaging in, promoting, or permitting prostitution in violation of KRS Chapter 529;

c. Any theft offense as defined in KRS Chapter 514;

d. Any gambling offense as defined in KRS 411.090, KRS Chapter 528, or section 226 of the Constitution;

e. Illegal trafficking in controlled substances as prohibited by KRS Chapter 218A, in intoxicating or spirituous liquor as defined in KRS Chapters 242 or 244, or in destructive devices or booby traps as defined in KRS Chapter 237;

f. Lending at usurious interest, and enforcing repayment by illegal means in violation of KRS Chapter 360.

Section 73. The following KRS sections are repealed:

18.215 Definition — Applicabilty.

18.330 Provision for administrative costs.

Section 74. The reviser of statutes is directed to change references from KRS Chapter 18 to KRS Chapter 18A in the following statutes:

KRS 16.140, 16.505, 56.491, 57.031, 61.371, 61.510, 151.370, 153.220, 161.153, 161.340, 164.020, 171.381, 187.300, 199.420, 227.660, 247.130, and 337.010.

Representative Barrows moved that the House concur in the Senate Committee Substitute to **HB 415.**

On the roll call the vote was yeas 45-Arnold, Barrows, Bendl, Blevins, Brinkley, Brown, Burch, Cline, Cowan, Craddock, Cyrus, Dunn, Farrow, Ford, Foster, Fryman, Guenthner, Haering, Hancock, Handy, Heleringer, Hines, Holloway, Johnson, T. Jones, Kenton, LeMaster, List, Long, Maggard, Moberly, Nett, Noe, O'Brien, Pearman, Richards, B. Richardson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner. Nays 39-Allen, Blandford, Boswell, Bronger, Bruce, Burnette, Caldwell, Clapp, Crupper, Curd, Deskins, Donnermeyer, Ellington, Endicott, Freibert, Harper, Head, Holbrook, R. Jones, Lefevers, Lile, Little, Mann, McNutt, Meyer, Moore, Morris, Overstreet, Perkins, Petty, Rapier, Rattliff, Riner, Robinson, Schmidt, Thomas, Todd, Van Horn, White.

The motion that the House concur in the Senate Committee Substitute to **HB 415** was adopted.

Representative Barrows moved that **HB 415,** by way of Senate Committee Substitute, be passed.

On the roll call the vote was yeas 43-Arnold, Barrows, Bendl, Bennett, Blevins, Boswell, Brinkley, Brown, Burch, Clark, Cline, Cowan, Craddock, Cyrus, Dunn, Farrow, Foster, Hancock, Handy, Hines, Johnson, T. Jones, Kenton, LeMaster, Long, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Priddy, Richards, B. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Washington. Nays 44-Allen, Blandford, Bronger, Bruce, Caldwell, Clapp, Crupper, Curd, Deskins, Donnermeyer, Ellington, Endicott, Ford, Freibert, Gray, Guenthner, Haering, Harper, Head, Heleringer, Holbrook, Holloway, Layman, Lefevers, Lile, List, Little, Mann, McNutt, Meyer, Moore, Overstreet, Perkins, Petty, Rapier, Rattliff, P. Richardson, Robinson, Schmidt, Thomas, Todd, Turner, Van Horn, White.

HB 415, by way of Senate Committee Substitute, was defeated.

HB 686, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 686** is as follows:

Amend printed copy of **HB 686** as follows:

on page 1, line 8, by deleting the comma "," and by inserting in lieu thereof a period "."

and on page 1, lines 9 and 10, by deleting those lines

and on page 1, line 13, by deleting "*49 CFR*"

and on page 1, line 14, by deleting "*173.100 (p) 1,*"

and on page 1, line 20, by deleting "*(See NFPA 1122, code for the unmanned*"

and on page 1, line 21, by deleting those lines

and on page 2, lines 5 through 7, by deleting those lines

and on page 2, between lines 7 and 8, by inserting the following:

"[~~As used in KRS Chapter 227 "fireworks" means and includes any combustible or explosive composition, or any substance or combination of substances, or article prepared for the purpose of producing a visible or audible effect by combustion, explosion, deflagration or detonation, and shall include but not be limited to blank cartridges, toy pistols, toy cannons, toy canes or toy guns in which explosives are used, the type of balloons which require fire underneath to propel the same, firecrackers, torpedoes, skyrockets, Roman Candles, Dayge bombs, or other fireworks of like construction and any fireworks containing any explosive or flammable compound, or any tablets or other device containing any explosive substance. The term "fireworks" shall not include toy pistols, toy canes, toy guns, or other devices in which paper caps containing twenty-five hundredths grains or less of explosive compound are used, providing they are so constructed that the hand cannot come in contact with the cap when in place for use, toy pistol paper caps which contain less than twenty hundredths grains of explosive mixture, and gold star producing sparkers, which contain no magnesium or chlorate, toy snakes which contain no mercury, smoke novelties and party novelties, which contain less than twenty-five hundredths of a grain of explosive mixture, the sale and use of which shall be permitted at all times~~].

SECTION 2. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:"

and on page 2, line 8, by deleting "*(2)*"

and on page 2, lines 8 through 13, by deleting those lines and inserting in lieu thereof:

""Common fireworks" are fireworks suitable for use by the public and designed primarily to produce visible effects by combustion and must comply with the construction, chemical composition, and labeling regulations of the U.S. Consumer Products Safety Commission. The types, sizes, and amount of pyrotechnic contents of these devices are limited as enumerated in this Act."

and on page 2, line 22, by deleting "*(a)*" and inserting in lieu thereof "*(1)*" and on page 2, line 23, by deleting "*1.*" and inserting in lieu thereof "*(a)*"

and on page 3, line 7, by deleting "*2.*" and inserting in lieu thereof "*(b)*"

and on page 3, line 17, by deleting "*3.*" and inserting in lieu thereof "*(c)*"

and on page 3, line 21, by deleting "*4.*" and inserting in lieu thereof "*(d)*"

and on page 3, line 25, by deleting "*5.*" and inserting in lieu thereof "*(e)*"

and on page 4, line 6, by deleting "*6.*" and inserting in lieu thereof "*(f)*"

and on page 4, line 7, by deleting "*7.*" and inserting in lieu thereof "*(g)*"

and on page 4, line 15, by deleting "*(b)*" and inserting in lieu thereof "*(2)*"

and on page 4, line 16, by deleting "*1.*" and inserting in lieu thereof "*(a)*"

and on page 4, line 22, by deleting "*2.*" and inserting in lieu thereof "*(b)*"

and on page 4, line 25, by deleting "*3.*" and inserting in lieu thereof "*(c)*"

and on page 5, line 6, by deleting "*4.*" and inserting in lieu thereof "*(d)*"

and on page 5, line 13, by deleting "*5.*" and inserting in lieu thereof "*(e)*"

and on page 5, line 17, by deleting "*(see paragraph (2)(b) 4. of this section)*"

and on page 5, line 18, by deleting "*(see paragraph (2)(c) 1. of this section)*"

and on page 5, line 21, by deleting "*(c)*" and inserting in lieu thereof "*(3)*"

and on page 5, line 22, by deleting "*1.*" and inserting in lieu thereof "*(a)*"

and on page 5, line 26, by deleting "*2.*" and inserting in lieu thereof "*(b)*"

and on page 6, line 5, by deleting "*(d)*" and inserting in lieu thereof "*(4)*"

and on page 6, between lines 7 and 8, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

Items listed in this section are classified as novelties and trick noisemakers and are not classified as common"

and on page 6, lines 8 and 9, by deleting those lines

and on page 6, line 11, by deleting "*1.*" and inserting in lieu thereof "*(1)*"

and on page 6, line 15, by deleting "*2.*" and inserting in lieu thereof "*(2)*"

and on page 6, line 18, by deleting "*3.*" and inserting in lieu thereof "*(3)*"

and on page 6, line 24, by deleting "*4.*" and inserting in lieu thereof "*(4)*"

and on page 7, line 1, by deleting "*a.*" and inserting in lieu thereof "*(a)*"

and on page 7, line 6, by deleting "*b.*" and inserting in lieu thereof "*(b)*"

and on page 7, line 10, by deleting "*c.*" and inserting in lieu thereof "*(c)*" and on page 7, line 14, by deleting "*d.*" and inserting in lieu thereof "*(d)*"

and on page 7, line 18, by deleting "*e.*" and inserting in lieu thereof "*(e)*"

and on page 7, line 22, by deleting "*f.*" and inserting in lieu thereof "*(f)*"

and on page 7, line 24, by deleting "*and/*" and following "*smoke*" by adding "*, or both,*"

and on page 8, between lines 1 and 2, by inserting the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:"

and on page 8, line 2, by deleting "*(3)*"

and on page 8, lines 13 through 26, by deleting those lines

and on page 9, lines 1 through 16, by deleting those lines and inserting in lieu thereof:

"SECTION 5. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

(1) Items described in subsection (1) of Section 2 of this Act are legal for retail sale provided all applicable federal and state requirements with respect thereto are met.

(2) Items described in subsections (2) and (3) of Section 2 and Section 4 of this Act are not legal for retail sale but are legal under permits granted pursuant to this Act for the purposes specified in this Chapter for public displays and may be sold at wholesale as provided in this Chapter.

(3) Items described in Section 3 of this Act are legal for retail sale provided all applicable federal and state requirements with respect thereto are met."

and on page 9, line 17, by deleting "Section 2" and inserting in lieu thereof "Section 6"

and on page 9, line 19, by deleting those lines and inserting in lieu thereof:

"*No person, firm, co-partnership, or corporation shall offer for sale, expose for sale, sell at retail, keep with intent to sell, possess, use, or explode any fireworks, except as hereinafter provided:*"

and on page 9, line 20, by deleting "*iting any of the following:*"

and on page 12, line 11, following "(1)" to add the following: "*Unless a current certificate of compliance is possessed with regard to the items offered for sale,*"

and on page 13, line 21, by deleting "*each*" and to delete the brackets "[]" and strike through "the"

and on page 13, line 21, following "article" to add the following: "*or package, providing each item in the package is an approved item,*"

and on page 10, line 26, by deleting those lines

and on page 11, line 18, by deleting "*(See*"

and on page 11, lines 19 and 20, by deleting those lines

and on page 11, line 21, by deleting "Section 3." and inserting in lieu thereof "Section 7."

and on page 12, line 9, by deleting "Section 4." and inserting in lieu thereof "Section 8."

and on page 14, line 3, by deleting the bracket "[" before and the strike through of the word "All"

and on page 14, line 4, by deleting the strike through and on page 14, line 5, by deleting the strike through of "Chapter 227 shall be" and "destroyed as contraband" and by placing a bracket before "seized" and another bracket after "and" and to delete the bracket at the end of the line

and on page 15, line 17, following "227.750," by adding the following: "*this Act, the regulations issued thereunder, or any order issued thereunder,*"

and on page 13, line 24, by deleting "Section 5." and inserting in lieu thereof "Section 9."

and on page 14, line 6, by deleting "Section 6." and inserting in lieu thereof "Section 10."

and on page 12, between lines 16 and 17, by inserting the following: "*subsection (1) of Section 2 and Section 3 of this Act;*"

and on page 12, line 21, by deleting the bracket following "of" and to extend the strike through to the remainder of the line

and on page 12, line 22, to strike through "227.700" and by inserting a bracket "]" thereafter

and on page 12, line 26, by adding "*law*" following the word "the" and to place a bracket before "provisions" and after "KRS 227.700" and to strike through the intervening language

and on page 13, line 1, following "of" to add "*subsection (1) of Section 2 and Section 3 of this Act*" and to place brackets around and strike through "KRS 227.700"

and on page 13, line 8, following "No" to add "item listed in *subsection (1) of Section 2 of this Act,*"

and on page 13, line 21, following "of" to add "*law*" and to place brackets around and strike through "KRS 227.700"

Representative Donnermeyer moved that the House concur in Senate Amendment No. 1 to **HB 686.** Agreed.

Representative Donnermeyer moved that **HB 686,** as amended by the Senate, be passed.

On the roll call the vote was yeas 67-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holloway, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Nett, O'Brien, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Van Horn, Worthington. Nays 19-Allen, Brown, Bruce, Cline, Ellington, Endicott, Ford, Haering, Heleringer, Holbrook, R. Jones, Layman, Moore, Morris, Noe, Perkins, Robinson, Tobin, White.

HB 686, as amended by the Senate, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 686,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 440, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 440** is as follows:

Amend printed copy of **HB 440** as follows: on page 3, line 15, by deleting "*three*" and inserting "*two hundred and seventy dollars ($270)*" in lieu thereof;

and on page 3, line 16, by deleting "*hundred dollars ($300)*";

and on page 4, line 22, after "*corrections.*" by adding "*In the event that the total number of permanent jail beds in the state, as determined by the Bureau of Corrections, exceeds five-thousand (5,000) beds, the* *two-hundred and seventy dollar ($270) per bed allotment provided in subsection (1) of this section shall be reduced proportionately.*".

Representative Arnold moved that the House concur in Senate Amendment No. 1 to **HB 440.** Agreed.

Representative Arnold moved that **HB 440,** as amended by the Senate, be passed.

On the roll call the vote was yeas 81-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White. Nays 3-Ellington, Pearman, Tobin.

HB 440, as amended by the Senate, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 440,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 682, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 682** is as follows:

Amend printed copy of **HB 682** as follows: on page 16, line 5, by placing brackets and strike through around the "[~~and a~~]" and by placing brackets and strike through around line 6;

and on line 7, by placing brackets and strike through around the "[~~voter's statement~~]";

and on page 17, line 1, by deleting the following "*The application*" by deleting lines 2 and 3;

and on line 20, by placing brackets and strike through around the "[~~and a verified statement of a~~]";

and on line 21, by placing brackets and strike through around the "[~~physician corroborating the voter's statement~~]"; and on page 18, by deleting lines 13-15.

Representative Kenton moved that House concur in Senate Amendment No. 1 to **HB 682.** Agreed.

Representative Kenton moved that **HB 682,** as amended by the Senate, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Gray, Haering, Hancock, Handy, Harper, Head, Heleringer, Holbrook, Holloway, Johnson, T. Jones, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, Perkins, Petty, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Worthington. Nays 7-Craddock, Ellington, Freibert, Fryman, O'Brien, Pearman, Van Horn.

HB 682, as amended by the Senate, was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 682,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 475, with Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative LeMaster moved that the House refuse to concur in the following Senate Committee Substitute to **HB 475.**

HB 475, AN ACT relating to appropriations for the operations, maintenance, support and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the following sums to be used for the purposes of the Judicial Branch of the government of the Commonwealth of Kentucky including the Supreme Court, Court of Appeals, Circuit Court, District Court, the Administrative Office of the Courts, Pretrial Services, Judicial Boards and Commissions, the State Law Library, Judicial Retirement, and for services performed by the Circuit Clerk offices, including both circuit and district court support:

1. Court of Justice

a. To the Court of Justice, for Court Operation and Administration

1982-83	$ 45,794,000
1983-84	$ 48,651,200

The specific allocation of these funds shall be made by the Administrative Office of the Courts at the direction of the Chief Justice. $523,300 in fiscal year 1982-83 and $1,072,600 in fiscal year 1983-84 are included for an amendment to KRS 64.485 for the purpose of providing an annual salary increment to judges of the Court of Justice, effective July 1, 1982. The annual salary increment shall be set at a rate which includes the adjustment for the increase in the consumer price index, but in no event shall a judge receive an annual increase exceeding five percent (5%) of his salary in each of the next two fiscal years. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, the amount included shall be reduced accordingly. Upon notification of the secretary of finance, the annual salary of Circuit Clerks for fiscal years 1982-83 and 1983-84 shall be set at a rate which includes the adjustment for the increase in the consumer price index, but in no event shall a Circuit Clerk receive an annual increase exceeding five percent (5%) of his salary except as otherwise provided by the 1982 General Assembly. Included in the above appropriation is $363,100 in fiscal year 1983-84 to be expended for preparation costs associated with the July 1, 1984, implementation of the Juvenile Code.

b. To the Court of Justice, for the Local Facility Fund

1982-83	$ 6,640,400
1983-84	$ 7,499,100

The specific allocation of these funds shall be made by the Court of Justice in accordance with KRS 26A.090 to 26A.120. $80,000 in fiscal year 1982-83 and $200,000 in fiscal year 1983-84 are included for an amendment to KRS 26A.090 which shall apply toward reimbursements for the use of new or improved court facilities which are financed at an interest rate of seven percent (7%) or greater. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Chief Justice, the amount included shall be reduced accordingly. Notwithstanding the provision in KRS 26A.090, no county shall receive less than the equivalent of one dollar ($1) per net square foot as capital reimbursement for the use of local court facilities by the Court of Justice in fiscal year 1982-83 and fiscal year 1983-84.

Total - Court of Justice

1982-83	$ 52,434,400
1983-84	$ 56,150,300

2. Judicial Form Retirement System

To the Board of Trustees of the Judicial Form Retirement System, for Funding and Operation of the Judicial Retirement Plan

1982-83	$ 2,367,300
1983-84	$ 2,374,600

Of these funds, $131,300 in fiscal year 1982-83 and $131,300 in fiscal year 1983-84 are included for amendments to KRS Chapter 21 to provide for post-retirement cost-of-living adjustments in benefits. As to such amendment, the inclusion of the applicable funds is conditional upon enactment of the amendment into law, and if the provisions of an amendment as enacted would require less funds than above included, as certified by the Judicial Retirement Board, the amount included shall be reduced accordingly.

TOTAL - JUDICIAL BRANCH

1982-83	$ 54,801,700
1983-84	$ 58,524,900

PART II
TRUST AND AGENCY FUNDS

There is hereby appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, all receipts of the Court of Justice not otherwise disposed by law, and any unexpended balance remaining in the Court of Justice's existing Trust and Agency accounts at the close of the fiscal years ending June 30, 1982 and June 30, 1983.

In the event the Court of Justice receives receipts in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such trust and revolving or agency funds receipts for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains such variations from the anticipated amount.

Court of Justice	
1982-83	$ 300
1983-84	$ 300

PART III
FEDERAL FUNDS

There is appropriated to the Court of Justice for the fiscal year beginning July 1, 1982 and ending June 30, 1983, and for the fiscal year beginning July 1, 1983 and ending June 30, 1984, Federal subvention, grants, contracts and other Federal funds received, income from investment and other miscellaneous Federal receipts received by the Court of Justice except as otherwise specifically provided, for the use and benefit of the Court of Justice for the purposes for which its fund is authorized, and any unexpended balance remaining in the Court of Justice's existing Federal accounts at the close of fiscal years ending June 30, 1982 and June 30, 1983. All funds received shall be deposited in the state treasury and credited to the proper federal fund account as provided by law.

In the event the Court of Justice receives monies in excess of the amounts appropriated herein, the Director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of such federal funds for statutory purposes. The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year with an accompanying statement which explains such variations from the anticipated amount.

Court of Justice	
1982-83	$ 187,700
1983-84	$ 100

PART IV
GENERAL PROVISIONS

1. The Director of the Administrative Office of the Courts with the approval of the Chief Justice may expend any of the funds appropriated for Court Operation and Administration in any lawful manner and for any legal purpose which the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the Judicial Branch of government.
2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the Courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.
3. The Court of Justice shall not incur any obligation for any program against the General Fund appropriations contained herein unless such program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by appropriate work papers and other records pertaining thereto.

4. The Chief Justice shall cause the Director of the Administrative Office of the Courts to prepare a final budget document reflecting the 1982-84 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Department of Finance within forty-five (45) days of the adjournment of the 1982 Session of the General Assembly.

The motion that the House refuse to concur in the Senate Committee Substitute to **HB 475** was adopted by voice vote.

HB 711, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 2 to **HB 711** are as follows:

Amend printed copy of **HB 711** as follows: on page 47, below line 18, to add the following:

"Section 25. KRS 132.750 is amended to read as follows:

Mobile homes shall be classified as real estate for the purpose of the levy and assessment of taxes, regardless of whether [~~If~~] the wheels or mobile parts have been removed [~~from a housetrailer~~] and the unit rests on a permanent, fixed foundation [~~, it shall be classified as real estate~~]."

and on page 31, lines 13 and 14, by deleting ", *mobile homes* and *recreational vehicles* and inserting in lieu thereof "*mobile homes*".

Representative Thomas moved that the House concur in Senate Amendments No. 1 and No. 2 to **HB 711.**

The motion that the House concur in Senate Amendments No. 1 and No. 2 to **HB 711** was rejected by voice vote.

HB 768, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 768** is as follows:

Amend printed copy of **HB 768** as follows: on page 1, line 18, after the words "*capacity of*" delete the words "*two hun-*";

and on page 1, by deleting lines 19 and 20 in their entirety and insert in lieu thereof "*four hundred (400) or less persons, and six thousand (6,000)*";

and on page 6, line 24, insert the following:

"*Section 2.*" KRS 323.030 is amended to read:
(1) A nonresident licensed to practice architecture in his own state or country but not in the Commonwealth and having no established place of business in the Commonwealth may act solely as a consulting associate of an architect licensed in the Commonwealth.
(2) An architect acting solely as an officer or employe of the United States government is not required to be licensed in the Commonwealth.
(3) A licensed professional engineer may prepare plans and specifications for and supervise the construction of structures as an incident to the practice of his own profession.
(4) If the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law, this chapter does not apply to:
(a) Any building which is to be used for farm purposes only;
(b) Any building containing not more than twenty thousand (20,000) square feet total floor area, except:
1. An asylum, hospital, nursing or convalescent home, or home for the aged, regardless of capacity;
2. A school or educational institution, regardless of capacity;
3. A residential building containing more than twelve (12) living units;
4. A place of assembly having a capacity in excess of one hundred (100) persons or churches having a capacity in excess of *four hundred (400)* [~~two hundred fifty (250)~~] persons or *six thousand (6,000)* [~~thirty-two hundred (3,200)~~] square feet of total floor space;

5. A mercantile building having a capacity in excess of one hundred (100) persons;
6. An industrial building having a capacity in excess of one hundred (100) persons; and
7. An office building having a capacity in excess of one hundred (100) persons.

(c) Alterations to any building to which this chapter does not apply, if the alterations do not involve changes affecting structural safety.

Representative Pearman moved that the House concur in Senate Amendment No. 1 to **HB 768.** Agreed.

Representative Pearman moved that **HB 768,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn. Nays 3-Bennett, Bronger, Layman.

HB 768, as amended by the Senate, was passed and the title agreed to.

Representative Pearman moved that the vote by which **HB 768,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 330, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 330** is as follows:

Amend printed copy of **HB 330** as follows: on page 4, line 15, by underlining, "*, the special fund, and any other interested*"

and on page 4, line 16, by underlining "*party*"

and on page 4, line 17, by deleting "*The special fund and any*"

and on page 4, by deleting line 18 in its entirety

and on page 4, line 19, by deleting "*anytime prior to the entry of an award by the board.*"

Representative LeMaster moved that the House concur in the Senate Amendment No. 1 to **HB 330.** Agreed.

Representative LeMaster moved that **HB 330,** as amended by the Senate, be passed.

On the roll call the vote was yeas 83-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Worthington. Nays 2-Deskins, Rattliff.

HB 330, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 330,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 320, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 320** is as follows:

Amend printed copy of **HB 320** as follows: on page 7, lines 3 and 4, after the words "of the" by deleting the word "*commission*" and removing the brackets from around the word "division"

and on page 9, line 14, after the word "and" delete the words "the pro rata share" and insert the following language: "one hundred seventy thousand five hundred dollars ($170,500)"

and on page 9, line 15, before the word "shall" insert the following language: "of the department of justice"

Representative Gray moved that the House concur in Senate Amendment No. 1 to **HB 320.** Agreed.

Representative Gray moved that **HB 320,** as amended by the Senate, be passed.

On the roll call the vote was yeas 74-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, B. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Worthington. Nays 6-Allen, Cline, Endicott, Lile, Noland, Tobin.

HB 320, as amended by the Senate, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 320,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 438, with Senate Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 438** is as follows:

HB 438, AN ACT relating to motor vehicle sales.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) The motor vehicle commission is hereby created as an agency of the Commonwealth to carry out the functions and duties conferred upon it by this section in conjunction with the bureau of motor vehicle regulation.

(2) The commission shall consist of twelve (12) members, eleven (11) of whom are to be appointed by the Governor and each of whom must reside in a separate federal congressional district, except the commissioner, the members representing manufacturers, dealers and consumers, and one (1) other, who shall serve as the twelfth member of the commission. No more than seven (7) members of the commission shall belong to any one (1) political party, and four (4) members shall be new motor vehicle dealers and four (4) members shall be used motor vehicle dealers. Of those members of the commission who are new motor vehicle dealers, no more than two (2) shall represent the same automobile manufacturer as a franchise dealer.

(3) (a) Members of the commission qualify by taking the constitutional oath of office which shall, with the certificate of appointment, be evidence of the authority of the member to act.

(b) Each member of the commission shall be entitled to one hundred dollars ($100) per day for each day actually engaged in the duties of the office, including time spent in necessary travel to and from meetings and otherwise, together with all travel and other necessary expenses incurred while performing official duties.

(4) Upon July 15, 1982, the governor shall appoint two (2) members of the board to serve for a period of one (1) year; three (3) members to serve for a period of two (2) years; and three (3) members to serve for a period of three (3) years. Thereafter, their successors in office shall be appointed by the governor for a term of three (3) years each. One (1) member shall be a representative of an automobile manufacturer. One (1) member shall be a representative of automobile wholesalers. One (1) member shall be a person with no direct financial interest in the industry.

(5) The commission shall hold a regular annual meeting in September of each year and elect a chairman and vice-chairman to serve for the ensuing year. The commission shall have regular meetings as the majority of the members specifies and special meetings at the request of any five (5) members. Reasonable notice of all meetings shall be given as commission rules prescribe. A majority of the commission, including the public member, shall constitute a quorum.

(6) The commission shall employ an executive director who shall be the chief administrative officer of the commission, who shall maintain all minutes of the commission proceedings and who shall be custodian of the files and records of the commission. The executive director shall employ the staff authorized by the commission. The commission may, by interagency contract, utilize assistance of any state agency.

(7) The commission shall deposit all monies received by it from license fees paid under this law with the state treasurer, who shall keep them in a separate fund to be known as the "motor vehicle commission fund." The commission may use this fund for salaries, wages, per diem, professional and consulting fees, grants, loans, contracts, travel expenses, equipment, office rent and expenses and other necessary expenses incurred in carrying out its duties under this section as provided by legislative appropriation. At the close of each biennium, the unexpended balance remaining in the motor vehicle commission fund shall be transferred to the general fund.

(8) The commission shall administer the provisions of this section, establish the qualifications of manufacturers and dealers, and insure that the distribution and sale of new motor vehicles is conducted as provided herein, and under the commission's rules.

(9) The commission is authorized to issue orders and make determinations as may be necessary to carry out the provisions of this Act. The orders shall set forth the findings on which the order is based, and the reason for the particular action taken. All orders shall be signed by the chairman or vice-chairman and attested by the executive director.

(10) The commission may hold hearings, administer oaths, receive evidence, issue subpoenas to compel the attendance of witnesses and the production of documents related to the hearing and make findings of fact and decisions in administering the provisions of this Act and the rules, orders and other actions of the commission.

(11) The commission may cause legal proceedings to be instituted to enforce the provisions of this section and its rules, orders and decisions. Should it appear from any investigation of a possible violation of any other law or regulation that a violation of the provisions of this Act may have occurred, the matter shall be referred to the commission to determine whether proceedings under this Act are appropriate. The commission may make contracts and execute instruments necessary or convenient to the exercise of its power or performance of its duties.

(12) The availability of administrative procedures under this section shall not preclude the utilization of other remedies for violation of the provisions of KRS Chapter 190 which are available to the affected parties, including actions for injunctive relief.

SECTION 2. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

The decision of the commission granting or refusing to grant an application for a license, or to suspend or revoke a license shall not become final for a period of thirty (30) days from the date thereof, during which time the applicant or licensee may appeal from the decision of the commission to the circuit court of Franklin County. Nothing herein shall be construed to limit the authority of the court to grant such relief as the circumstances may require. If the issues involved were first presented to the commission by a complaint filed with the commission, the complainant may appeal from the decision of the commission in the same manner as prescribed above.

SECTION 3. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the terms, provisions, or conditions of any agreement or franchise, or the terms or provisions of any waiver, any person who is injured in his business or property by a violation of this section or any person so injured because he refuses to accede to a proposal for an arrangement which, if consummated, would be in violation of this section, may bring a civil action in the Franklin circuit court to enjoin further violations, to recover the actual damages sustained by him, together with costs of the suit, including a reasonable attorney's fee.

(2) The commission may order, deny, suspend, or revoke the license of any new motor vehicle dealer, manufacturer, distributor, factory branch, or factory representative for failing to comply with any provisions of this Act, or in lieu thereof, or in addition thereto, may assess monetary penalties of a civil nature not to exceed one thousand dollars ($1,000) for each violation.

(3) The provisions of this Act shall apply to all persons required to be licensed under the terms herein, and to dealerships and contracts between new motor vehicle dealers and manufacturers, distributors, factory branches, or factory representatives at the time of its passage, and to all such future new motor vehicle dealerships and contracts.

Section 4. KRS 190.010 is amended to read as follows:

As used in KRS 190.010 to 190.080 unless the context requires otherwise:

(1) "Motor vehicle dealer" means any person not excluded by subsection (2) of this section who:

(a) For commission, money or other thing of value, is engaged in the business of selling, exchanging, buying, offering or attempting to negotiate a sale or exchange of an interest in motor vehicles; or

(b) Who is engaged wholly or in part in the business of selling motor vehicles, including motor driven cycles, whether or not such motor vehicles are owned by such person, firm or corporation.

(2) The term "motor vehicle dealer" does not include:

(a) Receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the judgment or order of any court, and any bank, trust company or lending institution which is subject to state or federal regulation as such, with regard to its disposition of repossessed motor vehicles;

(b) Public officers while performing their official duties; or

(c) Employes of persons enumerated in paragraphs (a) and (b) of this subsection, when engaged in the specific performance of their duties as such employes.

(3) "Motor vehicle salesman" means any person who is employed as a salesman by a motor vehicle dealer to sell motor vehicles.

(4) The term *"commission"* [~~"board"~~] means the motor vehicle dealers *commission* [~~board~~].

(5) The term "commissioner" means the commissioner of vehicle regulation.

(6) "Motor vehicle" means any motor driven vehicle required to be registered or licensed before being operated upon the highways. Motor vehicle shall not include moped as defined in this section.

(7) "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(8) The term "bureau" means the bureau of vehicle regulation.

(9) "Licensor" means either the commissioner or the bureau or both.

(10) "Manufacturer" means any person, resident or nonresident who manufactures or assembles motor vehicles.

(11) "Distributor" or "wholesaler" means a person, resident or nonresident who sells or distributes motor vehicles to licensed motor vehicle dealers, or who maintains distributor representatives.

(12) "Factory branch" means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.

(13) "Distributor branch" means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

(14) "Factory representative" means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.

(15) "Distributor representative" means a representative similarly employed by a distributor, distributor branch or wholesaler.

(16) "Person" means a person, partnership, firm, corporation or association.

(17) The term "new motor vehicle" means a motor vehicle which, after its final assembly, is either in the possession of the manufacturer, factory branch or distributor, or an authorized dealer operating under a franchise with the manufacturer, factory branch or distributor, and the legal or equitable title to which has never been the subject of a sale or transfer other than to another dealer operating under a similar franchise with the same manufacturer, factory branch or distributor.

(18) The term "franchise" means any written contract, agreement, or license between a motor vehicle dealer and a manufacturer, factory branch or distributor of new motor vehicles by which the dealer is authorized to engage in the business of selling any specified make or makes of new motor vehicles.

Section 5. KRS 190.020 is amended to read as follows:

The bureau shall, under administrative regulations promulgated by the bureau and approved by the *commission* [~~board~~], issue the licenses provided for by KRS 190.010 to 190.080 and shall have supervision over the licensees thereunder in respect to all the provisions of KRS 190.010 to 190.080.

Section 6. KRS 190.030 is amended to read as follows:

(1) No motor vehicle dealer, or motor vehicle salesman shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080. If any motor vehicle dealer acts as a motor vehicle salesman he shall secure a motor vehicle salesman's license in addition to a license for a motor vehicle dealer.

(2) No manufacturer of motor vehicles, or factory branch, or distributor or distributor branch, or wholesaler shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080.

(3) No factory representative or distributor representative shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080.

(4) Application for license shall be made to the licensor, at such time, in such form and containing such information as the licensor shall require and shall be accompanied by the required fee. The licensor may require in such application, or otherwise, information relating to the applicant's solvency, his financial standing or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which said applicant proposes to engage in business, all of which may be considered by said licensor in determining the fitness of said applicant to engage in business as set forth in this section.

(5) All licenses shall be granted or refused within 30 days after application therefor, and shall expire, unless sooner revoked or suspended, on December 31 of the calendar year for which they are granted, except that where a complaint of unfair cancellation of dealer franchise is in the process of being heard, no replacement application for such franchise shall be considered until a decision is rendered by the *commission* [~~board~~].

(6) The license fee for such calendar year, or part thereof, shall be as follows, effective January 1, 1967:

(a) For motor vehicle dealers, one hundred dollars ($100.00) for each office or branch or agent thereof, plus one dollar ($1.00) for a supplemental license for each used car lot not immediately adjacent to the office or to a branch.

(b) For motor vehicle manufacturers, fifty dollars ($50.00); and for each factory branch in this state, five dollars ($5.00).

(c) For distributors or wholesalers, the same as for dealers.

(d) For motor vehicle salesmen, five dollars ($5.00).

(e) For factory representative, or distributor branch representative, five dollars ($5.00).

(7) The licenses of dealers, manufacturers, factory branches, distributors, and distributor branches shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the licensor shall indorse the change of location on the license without charge if it be within the same municipality. A change of location to another municipality shall require a new license.

(8) Every salesman, factory representative or distributor representative shall carry his license when engaged in his business, and display the same upon request. The license shall name his employer, and in case of a change of employer, the salesman shall immediately mail his license to the licensor who shall indorse such change on the license without charge.

(9) Provided the licensor has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with the provisions of this statute the licensor may require such applicant or licensee to furnish and maintain a bond in such form, amount and with such sureties as it shall approve, but not less than five thousand dollars ($5,000), nor more than fifteen thousand dollars ($15,000), conditioned upon such applicant or licensee complying with the provisions of the statutes applicable to the licensee and as indemnity for any loss sustained by any person by reason of any acts of the licensee constituting grounds for suspension or revocation of his license hereunder. The bonds shall be executed in the name of the state of Kentucky for the benefit of any aggrieved parties, but the penalty of said bond shall not be invoked except after a court adjudication thereof. The above bonding requirements shall not apply to manufacturers, factory branches, and their agents.

(10) Application for dealer's license shall be submitted to the bureau in duplicate and contain such information as the bureau may require. No motor vehicle dealer, unless licensed under KRS 190.010 to 190.080, shall be permitted to register, receive, or use any motor vehicle registration plates.

(11) Every motor vehicle dealer licensed in accordance with the provisions of this section shall make reports to the licensor at such intervals and showing such information as the licensor may require.

Section 7. KRS 190.040 is amended to read as follows:

(1) A license may be denied, suspended or revoked on the following grounds:

(a) Proof of financial or moral unfitness of applicant;

(b) Material misstatement in application for license;

(c) Filing a materially false or fraudulent tax return as certified by the department of revenue;

(d) Willful failure to comply with any provision of this section or any rule or regulation promulgated under this chapter;

(e) Willfully defrauding any retail buyer to the buyer's damage;

(f) Willful failure to perform any written agreement with any buyer;

(g) Failure or refusal to furnish and keep in force any bond required;

(h) Having made a fraudulent sale, transaction or repossession;

(i) False or misleading advertising;

(j) Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer;

(k) Employment of fraudulent devices, methods or practices in connection with compliance with the requirements under the statutes of this state with respect to the retaking of goods under retail installment contracts and the redemption and resale of such goods;

(l) Having violated any law relating to the sale, distribution or financing of motor vehicles;

(m) Being a manufacturer of motor vehicles, factory branch, distributor, field representative, officer, agent or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has induced or coerced or attempted to induce or coerce any automobile dealer to accept delivery of any motor vehicle or vehicles, parts or accessories therefor, or any other commodities which shall not have been ordered by said dealer;

(n) Being a manufacturer of motor vehicles, factory branch, distributor, field representative, officer, agent, or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has attempted to induce or coerce or has induced or coerced, any automobile dealer to enter into any agreement with such manufacturer, factory branch or representative thereof, or to do any other act unfair to said dealer, by threatening to cancel any franchise existing between such manufacturer, factory branch or representative thereof and said dealer;

(o) Being a manufacturer, factory branch, distributor, field representative, officer, agent or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has unfairly, without due regard to the equities of said dealer and without just provocation, canceled the franchise of any motor vehicle dealer. The nonrenewal of a franchise or selling agreement without just provocation or cause shall be deemed an evasion of this section and shall constitute an unfair cancellation;

(p) Being a distributor or wholesaler who makes, attempts to make or aids or abets the making of a sale of a motor vehicle to a person other than a licensed motor vehicle dealer. Nothing herein shall prevent any license holder from selling any motor vehicle to any of its employes;

(q) Being a dealer who advertises for sale a new motor vehicle unless he is a dealer operating under a franchise with a licensed manufacturer, factory branch or distributor authorizing the sale of such new motor vehicle.

(2) The licensor may without notice deny the application for a license within thirty (30) days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Upon request by the applicant whose license has been so denied, the licensor shall set the time and place of hearing a review of such denial, the same to be heard with reasonable promptness.

(3) No license shall be suspended or revoked except after a hearing thereon. The licensor shall give the licensee at least thirty (30) days' notice of the time and place of hearing and of the charges against it.

(4) The bureau or *commission* [~~board~~] may inspect the pertinent books, letters, records and contracts of a licensee.

(5) If a licensee is a firm or corporation, it shall be sufficient cause for the denial, suspension or revocation of a license that any officer, director or trustee of the firm or corporation, or any member in case of a partnership, has been guilty of any act or omission which would be cause for refusing, suspending or revoking a license to such party as an individual. Each licensee shall be responsible for the acts of any or all of his salesmen while acting as his agent, if such licensee approved of or had knowledge of said acts or other similar acts and after such approval or knowledge retained the benefit, proceeds, profits or advantages accruing from said acts or otherwise ratified said acts.

(6) Any licensee or other person in interest being dissatisfied with a final order of the bureau approved by the *commission* [~~board~~] may appeal to the Franklin Circuit Court and to the Court of Appeals in the manner provided by KRS 281.780 to 281.785.

Section 8. KRS 190.053 is amended to read as follows:

Whenever any licensee is found to be violating any of the provisions of this chapter, or any order or rule or regulation prescribed by the bureau pursuant thereto, or is found to be permitting any of its salesmen to violate any of the provisions of this chapter, or any order, or rule or regulation prescribed by the bureau pursuant thereto, the bureau may, upon complaint or upon its own motion, issue its order to such licensee notifying it to appear before the bureau at a fixed time and place at which time and place the bureau shall have a hearing. If the bureau and the *commission* [~~board~~] are satisfied, after a hearing, that the licensee has violated or refused to observe any of the provisions of this chapter, or any order, or rule or regulation of the bureau, or has permitted any of its salesmen to violate any of the provisions of this chapter or any order, or rule or regulation prescribed by the bureau pursuant thereto, the bureau may suspend or revoke the license of such licensee. The renewal by the bureau of any license shall not be construed to be a waiver or condonement of any violation which occurred prior to such renewal and shall not prevent subsequent proceedings against the licensee therefor.

Section 9. KRS 190.057 is amended to read as follows:

(1) Hearings under this chapter shall be heard by the bureau and may be held at the most convenient place for the parties and witnesses. The hearing shall be conducted by an examiner of the bureau. After the final conclusion of the hearing, the examiner shall make a report and recommended order, which report and

recommended order shall contain a finding of fact and a conclusion of law, and such report and recommended order shall be served by mail upon each of the parties. Any of the parties thereto may, within twenty (20) days after the date of the report and recommended order, file and serve exceptions thereto and reasons in support thereof. Replies may be served and filed within twenty (20) days after the date of the filing of exceptions. Thereafter the commissioner shall consider and pass upon the case. When passed upon by the commissioner and approved by the *commission* [~~board~~], the decision shall be served by mail upon all parties and shall be a final order of the bureau. The report and recommended order will not become the decision of the bureau through failure to file exceptions, but in the absence of exceptions ordinarily will be taken by the bureau as the basis of its decision.

(2) A final order may be withdrawn, set aside or amended, provided, however, that such action is taken between the date of the rendition of the final order and the expiration of the time for appeal or until an appeal has been taken.

Section 10. KRS 190.063 is amended to read as follows:

All records of the *commission* [~~board~~], including those maintained by the bureau for its account, shall be public records. All persons holding any license which is authorized by this chapter, as of June 16, 1966, shall have the right to continue to hold, maintain, and renew such license after June 16, 1966, subject only to the suspension or revocation thereof pursuant to the provisions of this chapter.

Section 11. KRS 190.067 is amended to read as follows:

The bureau of vehicle regulation shall serve as the administrative and enforcement agency of the *commission* [~~board~~] in all respects and shall perform such services and duties as it may be legally called upon to do. In addition to the other powers granted to the bureau, it shall have the powers of arrest for violation of the provisions of this chapter. In the event the *commission* [~~board~~] fails to perform any of its official duties within the time prescribed herein, the bureau may perform said duties and certify its actions to the *commission* [~~board~~].

Section 12. KRS 190.073 is amended to read as follows:

The bureau with the approval of the *commission* [~~board~~] may promulgate appropriate and reasonable regulations for the purpose of carrying out the provisions of this chapter.

Section 13. KRS 190.075 is amended to read as follows:

At the instance of the *commission* [~~board~~], the bureau or of any person having any interest in the subject matter, the courts of this state may enjoin any person from violating any of the provisions of this chapter, or any order, rule, regulation or requirement of the bureau. The Franklin Circuit Court shall hold concurrent venue with the courts of this Commonwealth of all civil and injunctive actions instituted by the *commission* [~~board~~] or the bureau for the enforcement of the provisions of this chapter, or the orders, rules, regulations or requirements properly promulgated under this chapter.

Section 14. The following KRS sections are repealed:

190.041 Law not applicable to manufacturers or distributors — Exceptions.
190.061 Motor vehicle dealer's board — Members — Qualifications, terms — Meetings — Quorum.

Representative Craddock moved that the House concur in the Senate Committee Substitute to **HB 438.** Agreed.

Representative Craddock moved that **HB 438,** by way of Senate Committee Substitute, be passed.

On the roll call the vote was yeas 57-Arnold, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Craddock, Curd, Deskins, Donnermeyer, Dunn, Ellington, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Harper, Head, Hines, Holbrook, R. Jones, T. Jones, Kidd, Lefevers, Lile, Long, Mann, McBee, McNutt, Moberly, Morris, Nett, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, B. Smith, Stone, Stumbo, Robin, White, Worthington. Nays 24-Allen, Bendl, Brown, Cline, Cowan, Crupper, Cyrus, Endicott, Farrow, Haering, Handy, Heleringer, Johnson, Kenton, Layman, List, Maggard, Moore, Noe, Schmidt, F. Smith, Thomason, Todd, Van Horn.

HB 438, by way of Senate Committee Substitute, was passed and the title agreed to.

Representative Craddock moved that the vote by which **HB 438,** by way of Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 421, with Senate Committee Substitute, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 421** is as follows:

HB 421, AN ACT relating to motor vehicle sales.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 190.010 is amended to read as follows:

As used in KRS 190.010 to 190.080 unless the context requires otherwise:

(1) "Manufacturer" means any person, partnership, firm, association, corporation or trust, resident or nonresident, who manufacturers or assembles new motor vehicles, or imports for distribution through distributors of new motor vehicles, or any partnership, firm, association, joint venture, corporation or trust, resident or nonresident, which is controlled by the manufacturer. Additionally, the term "manufacturer" shall include the following terms:

(a) "Distributor" which means any person, firm, association, corporation or trust, resident or nonresident, who in whole or in part offers for sale, sells, or distributes any new motor vehicle to new motor vehicle dealers, or who maintains factory representatives, or who controls any person, firm, association, corporation or trust, resident or nonresident, who in whole or in part offers for sale, sells, or distributes any new motor vehicle to new motor vehicle dealers.

(b) "Factory branch" which means a branch office maintained by a manufacturer for the purpose of selling, or offering for sale, new motor vehicles to a distributor, wholesaler, or new motor vehicle dealer, or for directing or supervising, in whole or in part, factory or distributor representatives, and shall further include any sales promotion organization, whether the same be a person, firm, or corporation, which is engaged in promoting the sale of new motor vehicles in this state of a particular brand or make to new motor vehicle dealers.

(c) "Factory representative" which means a representative employed by a manufacturer, distributor, or factory branch for the purpose of making or promoting for the sale of his, its, or their new motor vehicles, or for supervising or contracting with his, its, or their dealers, or prospective dealers.

(d) "Distributor branch" which means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

(e) "Distributor representative" which means a representative similarly employed by a distributor, distributor branch, or wholesaler.

(2) "Motor vehicle dealer" means any person not excluded by subsection *(3)*[~~(2)~~] of this section, *engaged in the business of selling, offering to sell, soliciting, or advertising the same, of new or used motor vehicles, or possessing motor vehicles for the purpose of resale, either on his own account, or on behalf of another, either as his primary business or incidental thereto* [~~who:~~

~~(a) For commission, money or other thing of value, is engaged in the business of selling, exchanging, buying, offering or attempting to negotiate a sale or exchange of an interest in motor vehicles; or~~

~~(b) Who is engaged wholly or in part in the business of selling motor vehicles, including motor driven cycles, whether or not such motor vehicles are owned by such person, firm or corporation~~].

(3)[~~(2)~~] The term "motor vehicle dealer" does not include:

(a) Receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the judgment or order of any court, and any bank, trust company or lending institution which is subject to state or federal regulation as such, with regard to its disposition of repossessed motor vehicles;

(b) Public officers while performing their official duties; or

(c) Employes of persons enumerated in paragraphs (a) and (b) of this subsection, when engaged in the specific performance of their duties as such employes.

(4) "New motor vehicle dealer" means a vehicle dealer who holds a valid sales and service agreement, franchise, or contract, granted by the manufacturer, distributor, or wholesaler for the sale of said manufacturer's new motor vehicles.

(5) "Used motor vehicle dealer" means any person engaged in the business of selling at retail, displaying, offering for sale, or dealing in used motor vehicles, but does not mean any new motor vehicle dealer selling, displaying, offering for sale, or dealing in used motor vehicles incidentally to engaging in the business of selling, displaying, offering for sale, or dealing in new motor vehicles, any person engaged in the business of dismantling, salvaging, or rebuilding motor vehicles by means of using used parts, or any public officer performing his official duties.

(6) "Motor vehicle leasing dealer" means any person engaged in the business of regularly making available, offering to make available, or arranging for another person to use a motor vehicle pursuant to a bailment, lease or other contractual arrangement under which a charge is made for its use at a periodic rate for at least a monthly term, and title to the motor vehicle is in a person other than the user, but does not mean a manufacturer or its affiliate leasing to its employes or to dealers.

(7)[~~(3)~~] "Motor vehicle salesman" means any person who is employed as a salesman by a motor vehicle dealer to sell motor vehicles, *or who is employed as an auctioneer by a motor vehicle auction dealer to sell motor vehicles at auction.*

[~~(4) The term "board" means the motor vehicle dealers board.~~

~~(5) The term "commissioner" means the commissioner of vehicle regulation.~~]

(8) "Motor vehicle auction dealer" means any person who offers, negotiates, or attempts to negotiate a sale, purchase, or exchange of a motor vehicle which may be lawfully kept or offered for sale by or at public auction or who sells same at auction.

(9)[~~(6)~~] "Motor vehicle" means *every vehicle intended primarily for use and operation on the public highways, which is self propelled, not including farm tractors and other machines and tools used in the production, harvesting and care of farm products* [~~any motor driven vehicle required to be registered or licensed before being operated upon the highways. Motor vehicle shall not include moped as defined in this section~~].

(10) "New motor vehicle" means a vehicle which is in the possession of the manufacturer, distributor, or wholesaler, or has been sold only to the holders of a valid sales and service agreement, franchise, or contract, granted by the manufacturer, distributor, or wholesaler for the sale of said make of new vehicle, and which is, in fact, new and on which the original title has not been issued from the franchised dealer.

(11)[~~(7)~~] "Moped" means a pedal bicycle with a helper motor rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.

(12) "Commission" means the motor vehicle dealer's licensing board.

(13) "Commissioner" means the commissioner of vehicle regulation.

(14)[~~(8) The term~~] "Bureau" means the bureau of vehicle regulation.

(15)[~~(9)~~] "Licensor" means either the *commission* [~~commissioner~~] or the bureau or both.

[~~(10) "Manufacturer" means any person, resident or nonresident who manufactures or assembles motor vehicles.~~

~~(11) "Distributor" or "wholesaler" means a person, resident or nonresident who sells or distributes motor vehicles to licensed motor vehicle dealers, or who maintains distributor representatives.~~

~~(12) "Factory branch" means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.~~

~~(13) "Distributor branch" means a branch office similarly maintained by a distributor or wholesaler for the same purposes.~~

~~(14) "Factory representative" means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.~~

~~(15) "Distributor representative" means a representative similarly employed by a distributor, distributor branch or wholesaler.~~]

(16) *"Established place of business" means a permanent, enclosed commercial building located within this state easily accessible and open to the public at all reasonable times, and at which the business of a vehicle dealer, including the display and repair of vehicles, may be lawfully carried on in accordance with the terms of all applicable building codes, zoning and other land use regulatory ordinances.*

(17) "Person" means a person, partnership, firm, corporation or association, *trust, estate or other legal entity.*

[~~(17) The term "new motor vehicle" means a motor vehicle which, after its final assembly, is either in the possession of the manufacturer, factory branch or distributor, or an authorized dealer operating under a franchise with the manufacturer, factory branch or distributor, and the legal or equitable title to which has never been the subject of a sale or transfer other than to another dealer operating under a similar franchise with the same manufacturer, factory branch or distributor.~~]

(18) [~~The term~~] "Franchise" means *the agreement or contract between any new motor vehicle manufacturer, written or otherwise, and any new motor vehicle dealer which purports to fix the legal rights and liabilities of the parties to such an agreement or contract, and pursuant to which the dealer purchases and resells the franchise product* [~~any written contract, agreement, or license between a motor vehicle dealer and a manufacturer, factory branch or distributor of new motor vehicles by which the dealer is authorized to engage in the business of selling any specified make or makes of new motor vehicles~~].

(19) "Good faith" means honesty in fact, and the observance of reasonable commercial standards of fair dealing in the trade, as is defined and interpreted in Section 2-103(1)(b) of the Uniform Commercial Code.

(20) "Designated family member" means the spouse, child, grandchild, parent, brother, or sister of a dealer who, in the case of a deceased dealer, is entitled to inherit the dealer's ownership interest in the

dealership under the terms of the dealer's will; or who has otherwise been designated in writing by a deceased dealer to succeed him in the motor vehicle dealership; or who, under the laws of intestate succession of this state is entitled to inherit the interest; or who, in the case of an incapacitated dealer, has been appointed by a court as the legal representative of the dealer's property. The term includes the appointed and qualified personal representative and testamentary trustee of a deceased dealer.

(21) "Fraud" means a misrepresentation in any manner, whether intentionally false or due to gross negligence, of a material fact; a promise or representation not made in good faith; or an intentional failure to disclose material fact.

(22) "Sale" means the issuance, transfer, agreement for transfer, exchange, pledge, hypothecation, mortgage in any form, whether by transfer in trust or otherwise, of any motor vehicle or interest therein, or of any franchise related thereto, as well as any option, subscription or other contract, or solicitation looking to a sale, offer to attempt to sell in any form, whether spoken or written. A gift or delivery of any motor vehicle or franchise with respect thereto, with or as a bonus on account of the sale of anything, shall be deemed a sale of such motor vehicle or franchise.

Section 2. KRS 190.015 is amended to read as follows:

The legislature finds and declares that the distribution and sale of vehicles within this state vitally affects the general economy of the state and the public interest and the public welfare, and that in order to promote the public interest and public welfare, and in the exercise of its police power, it is necessary to regulate and license vehicle manufacturers, distributors or wholesalers, brokers and auctioneers, and factory or distributor representatives, and to regulate and license dealers of vehicles doing business in this state, in order to prevent frauds, impositions, and other abuses upon its citizens, and to protect and preserve the investments and properties of the citizens of this state [~~It is hereby declared to be the public policy of this commonwealth to provide for fair and impartial regulation of those persons engaged in the business of the manufacture, distribution or sale of motor vehicles. Any of the provisions of this chapter which are applicable to such activities shall be administered in such a manner as will promote honesty, integrity, safety, veracity and sound economic conditions in the motor vehicle sales industry and among those engaged therein, without unjust discrimination or undue preference or advantage. It is declared to be the further policy of the commonwealth to protect the public interest in the purchase and trade of motor vehicles, so as to insure protection against irresponsible vendors or dishonest or fraudulent sales practices~~].

Section 3. KRS 190.030 is amended to read as follows:

(1) No motor vehicle dealer, *new, used or auction motor vehicle dealer, motor vehicle leasing dealer, broker, wholesaler, or a salesman of motor vehicles in any of the described categories herein,* [~~or motor vehicle salesman~~] shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080. If any *such person* [~~motor vehicle dealer~~] acts as a motor vehicle salesman he shall secure a motor vehicle salesman's license in addition to a license for a motor vehicle dealer.

(2) No manufacturer of motor vehicles, or factory branch, or distributor or distributor branch, or wholesaler shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080.

(3) No factory representative or distributor representative shall engage in business as such in this state without a license therefor as provided in KRS 190.010 to 190.080.

(4) Application for license shall be made to the licensor, at such time, in such form and containing such information as the licensor shall require and shall be accompanied by the required fee. The licensor may require in such application, or otherwise, information relating to the applicant's solvency, his financial standing or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which said applicant proposes to engage in business, all of which may be considered by said licensor in determining the fitness of said applicant to engage in business as set forth in this section.

(5) All licenses shall be granted or refused within 30 days after application therefor, and shall expire, unless sooner revoked or suspended, on December 31 of the calendar year for which they are granted, except that where a complaint of unfair cancellation of dealer franchise is in the process of being heard, no replacement application for such franchise shall be considered until a decision is rendered by the board.

(6) The license fee for such calendar year, or part thereof, shall be as follows, effective January 1, *1982* [~~1967~~]:

(a) For *new* motor vehicle dealers, one hundred dollars ($100.00) for each office or branch or agent thereof, plus one *hundred dollars ($100)* [~~dollar ($1.00)~~] for a supplemental license for each used car lot not immediately adjacent to the office or to a branch.

(b) *For used motor vehicle dealers, one hundred dollars ($100) for each office or branch or agent thereof.*

(c) For motor vehicle leasing dealers, one hundred dollars ($100) for each office or branch or agent thereof.

(d) For motor vehicle manufacturers, *one hundred dollars ($100)* [~~fifty dollars ($50.00)~~]; and for each factory branch in this state, *one hundred dollars ($100)* [~~five dollars ($5.00)~~].

(e)[~~(c)~~] For distributors, *motor vehicle auction dealers* or wholesalers, the same as for dealers.

(f)[~~(d)~~] For motor vehicle salesmen, five dollars ($5.00).

(g)[~~(e)~~] For factory representative, or distributor branch representative, *one hundred dollars ($100)* [~~five dollars ($5.00)~~].

(7) The licenses of dealers, manufacturers, factory branches, distributors, and distributor branches shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the licensor shall indorse the change of location on the license without charge if it be within the same municipality. A change of location to another municipality shall require a new license.

(8) Every salesman, factory representative or distributor representative shall carry his license when engaged in his business, and display the same upon request. The license shall name his employer, and in case of a change of employer, the salesman shall immediately mail his license to the licensor who shall indorse such change on the license without charge.

(9) Provided the licensor has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with the provisions of this statute the licensor may require such applicant or licensee to furnish and maintain a bond in such form, amount and with such sureties as it shall approve, but not less than [~~five thousand dollars ($5,000), nor more than~~] fifteen thousand dollars ($15,000), conditioned upon such applicant or licensee complying with the provisions of the statutes applicable to the licensee and as indemnity for any loss sustained by any person by reason of any acts of the licensee constituting grounds for suspension or revocation of his license hereunder. The bonds shall be executed in the name of the state of Kentucky for the benefit of any aggrieved parties, but the penalty of said bond shall not be invoked except after a court adjudication thereof. The above bonding requirements shall not apply to manufacturers, factory branches, and their agents.

(10) Application for dealer's license shall be submitted to the bureau in duplicate and contain such information as the bureau may require. No motor vehicle dealer, unless licensed under KRS 190.010 to 190.080, shall be permitted to register, receive, or use any motor vehicle registration plates.

(11) Every motor vehicle dealer licensed in accordance with the provisions of this section shall make reports to the licensor at such intervals and showing such information as the licensor may require.

Section 4. KRS 190.033 is amended to read as follows:

No motor vehicle dealer's license, *or motor vehicle auction dealer's license* or wholesaler's license shall be issued or renewed unless the applicant or holder of said license shall have on file with the bureau an approved indemnifying bond or insurance policy issued by some surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until cancelled under proper notice. All bonds or policies must be issued in the name of the holder or applicant for the dealer's license or wholesaler's license. The bond or policy shall provide public liability and property damage coverage for the operation of any vehicle owned or being offered for sale by the said dealer or wholesaler when being operated by the owner or seller, his agents, servants, employes, prospective customers or other persons. The amount of said insurance shall be *one hundred thousand dollars ($100,000)* [~~ten thousand dollars ($10,000)~~] for bodily injury or death of any one person; and *three hundred thousand dollars ($300,000)* [~~twenty thousand dollars ($20,000)~~] for bodily injury or death in any one accident; and *fifty thousand dollars ($50,000)* [~~five thousand dollars ($5,000)~~] property damage. Said bond or insurance policy may not be cancelled unless fifteen (15) days' notice by the bondsman or insurance carrier has been given in writing to the bureau. Upon the cancellation of any bond or insurance policy required hereunder, the right to engage in the business of a motor vehicle dealer or wholesaler shall immediately abate; provided, however, that if the bond or insurance policy is reinstated within thirty (30) days from the date of cancellation the rights granted by the license shall again be in force and effect, otherwise, the said license shall become void.

Section 5. KRS 190.035 is amended to read as follows:

No license shall be issued by the bureau *for the purposes and to the persons described in this Act, either as dealer or salesman* [~~to any person to act as a motor vehicle dealer, or as a motor vehicle salesman for a motor vehicle dealer~~], unless the applicant for the [~~motor vehicle dealer~~] license has *an established* [~~a fixed and permanent~~] place of business *as defined in KRS 190.010* [~~in this state, including a lot and a building of suitable character and adequate facilities for the purpose of performing the functional business and duties of a motor vehicle dealer, which shall include the books, records, files and equipment necessary to properly conduct such business. The place of business shall not consist of a residence, tent, temporary stand or open lot~~]. A *licensee* [~~dealer~~] may conduct more than one (1) business in a building otherwise meeting the requirements of this chapter providing he has suitable space and adequate facilities therein to properly conduct the business of a motor vehicle dealer. *Provided, however, a used motor vehicle dealer having annual unit sales of more than six (6) units shall have an established place of business as required in this chapter.* The lot requirement of this section may be waived if the dealer has sufficient space within a building to properly show and display the motor vehicles being sold by him. The dealer shall display a sign easily visible from the street identifying his business.

Section 6. KRS 190.045 is amended to read as follows:

(1) *Not withstanding the terms, provisions or conditions of any franchise or notwithstanding the terms or provisions of any waiver, no manufacturer shall cancel, terminate or fail to renew any franchise with a licensed new motor vehicle dealer unless the manufacturer has:*

(a) Satisfied the notice requirement of subsection (4); and

(b) Has good cause for cancellation, termination, or nonrenewal; and

(c) Has acted in good faith as defined in this Act.

(2) Notwithstanding the terms, provisions or conditions of any franchise or the terms or provisions of any waiver, good cause shall exist for the purposes of a termination, cancellation or nonrenewal when:

(a) There is a failure by the new motor vehicle dealer to comply with a provision of the franchise which provision is both reasonable and of material significance to the franchise relationship, provided that the dealer has been notified in writing of the failure within one hundred eighty (180) days after the manufacturer first acquired knowledge of such failure.

(b) If the failure by the new motor vehicle dealer, defined in (a) above, relates to the performance of the new motor vehicle dealer in sales or service, then good cause shall be defined as the failure of the new motor vehicle dealer to comply with reasonable performance criteria established by the manufacturer, if the new motor vehicle dealer was apprised by the manufacturer in writing of such failure, and

1. Said notification stated that notice was provided of failure of performance pursuant to this section;

2. The new motor vehicle dealer was afforded a reasonable opportunity, for a period of not less than six (6) months, to comply with such criteria; and

3. The new motor vehicle dealer did not demonstrate substantial progress toward compliance with the manufacturer's performance criteria during such period.

(3) The manufacturer shall have the burden of proof under this section.

(4) Notwithstanding the terms, provisions or conditions of any franchise prior to the termination, cancellation, or nonrenewal of any franchise, the manufacturer shall furnish notification of such termination, cancellation or nonrenewal to the new motor vehicle dealer as follows:

(a) In the manner described in subsection (2)(b); and

(b) In not less than ninety (90) days prior to the effective date of such termination, cancellation or nonrenewal; or

(c) In not less than fifteen (15) days prior to the effective date of such termination, cancellation or nonrenewal with respect to any of the following:

1. Insolvency of the new motor vehicle dealer, or filing of any petition by or against the new motor vehicle dealer under any bankruptcy or receivership law;

2. Failure of the new motor vehicle dealer to conduct its customary sales and service operations during its customary business hours for seven (7) consecutive business days, except for acts of God or circumstances beyond the direct control of the new motor vehicle dealer;

3. Fraudulent misrepresentation by the new motor vehicle dealer to the manufacturer or distributor which is material to the franchise;

4. Conviction of the new motor vehicle dealer, or any owner or operator thereof, of any felony which is punishable by imprisonment; or

5. Revocation of any license which the new motor vehicle dealer is required to have to operate a dealership;

(d) In not less than one hundred eighty (180) days prior to the effective date of such termination or cancellation where the manufacturer or distributor is discontinuing the sale of the product line.

(5) Notification under this section shall be in writing by certified mail or personally delivered to the new motor vehicle dealer; and shall contain:

(a) A statement of intent to terminate, cancel, or not to renew the franchise; and

(b) A statement of the reasons for the termination, cancellation or nonrenewal; and

(c) The date on which such termination, cancellation or nonrenewal takes effect.

(6) Upon the termination, nonrenewal or cancellation of any franchise, pursuant to this section, the new motor vehicle dealer shall be allowed fair and reasonable compensation by the manufacturer for the:

(a) New current model year motor vehicle inventory which has been acquired from the manufacturer, and which has not been damaged or altered while in the dealer's possession;

(b) Supplies and parts which have been acquired from the manufacturer;

(c) Equipment and furnishings provided the new motor vehicle dealer purchased from the manufacturer or its approved sources; and

(d) Special tools.

Such fair and reasonable compensation shall be paid by the manufacturer within ninety (90) days of the effective date of termination, cancellation or nonrenewal, provided the new motor vehicle dealer has clear title to the inventory and other items and is in a position to convey that title to the manufacturer.

(7) In the event of a termination, cancellation, or nonrenewal under this section, and the new motor vehicle dealer is leasing the dealership facilities from a lessor other than the manufacturer, or owns the dealership facilities, the manufacturer shall pay a reasonable rent to the dealer in accordance with and subject to subsection (8) below.

(8) (a) Such reasonable rental value shall be paid only to the extent the dealership premises are recognized in the franchise and only if they are:

1. Used solely for performance in accordance with the franchise; and

2. Not substantially in excess of those facilities recommended by the manufacturer.

(b) If the facilities are owned by the dealer, the manufacturer will either:

1. Locate a purchaser who will offer to purchase the dealership facilities at a reasonable price; or

2. Locate a lessee who will offer to lease the premises for a reasonable term at a reasonable rent; or

(3) Failing the foregoing, lease the dealership facilities at a reasonable rental value for one (1) year.

(c) If the facilities are leased by the dealer, the manufacturer will either:

1. Locate a tenant or tenants satisfactory to the lessor, who will sublet or assume the balance of the lease; or

2. Arrange with the lessor for the cancellation of the lease without penalty to the dealer; or

3. Failing the foregoing, lease the dealership facilities at a reasonable rent for one (1) year.

(d) The manufacturer shall not be obligated to provide assistance under this section if the dealer:

1. Fails to accept a bona fide offer from a prospective purchaser, sublessee or assignee; or

2. Refuses to execute a settlement agreement with the lessor if such agreement would be without cost to the dealer; or

3. Fails to make written request for assistance under this section within one (1) month of the termination, cancellation or nonrenewal.

(e) If, in an action for damages under this section, the manufacturer or distributor fails to prove either that the manufacturer or distributor has acted in good faith or that there was good cause for the franchise termination, cancellation, or nonrenewal, then the manufacturer or distributor may terminate, cancel or fail to renew the franchise upon payment to the new motor vehicle dealer of an amount equal to the value of the dealership as an ongoing business location. [~~No franchise entered into or renewed after January 1, 1973 between a motor vehicle dealer and a manufacturer or distributor may be cancelled, terminated, or not renewed by the manufacturer or the distributor except and only after sixty (60) days' notice has been given to the dealer and the bureau, which notice must outline the reasons and causes for the cancellation, termination, or non-renewal of the franchise. A notice of less than sixty (60) days may be approved by the bureau upon written application of both the dealer and manufacturer or distributor; or upon written application of the manufacturer or distributor, with notice to the dealer, if in the discretion of the bureau a lesser period is justified by reason of the circumstances of the cancellation, termination or failure to renew.~~

~~(2) A dealer may, within the sixty (60) day period or lesser period if approved by the bureau file a complaint against the manufacturer or the distributor with the bureau, questioning the reasons and causes given for the proposed cancellation, termination or nonrenewal of the franchise. Upon a complaint being filed, the bureau shall promptly set the matter for public hearing, in accordance with the provisions of KRS 190.057, for the purpose of determining whether the cancellation, termination or nonrenewal is in violation of the provisions of KRS 190.040 or whether just cause does exist for cancellation, termination or nonrenewal.~~

~~(3) The franchise shall stay in full force and effect pending the determination by the bureau of the issues involved. If the bureau determines that the manufacturer or distributor is acting in violation of the licensing law or that no just cause exists for the proposed action, then the bureau shall order that the franchise be kept in full force and effect.~~

~~(4) The bureau shall order that the franchise may be cancelled, terminated or not renewed if it finds the licensed dealer is acting in violation of the licensing law or that just cause does exist for the proposed action.~~

~~(5) Failure of the manufacturer or distributor to give proper notice or to keep the franchise in full force and effect pending determination by the bureau, or to abide by the final order of the bureau shall be cause for the bureau to refuse to issue a license to a replacement dealer or to a dealership which would be conducted in the same area and selling the same make of motor vehicles where the dealer in question was engaged in business.~~]

Section 7. KRS 190.046 is amended to read as follows:

(1) Notwithstanding the terms of any franchise agreement, each motor vehicle manufacturer or distributor, doing business within this Commonwealth, shall assume all responsiblity for and shall defend, indemnify and hold harmless its motor vehicle dealers against any loss, damages, and expenses, including legal costs, arising out of complaints, claims, or lawsuits resulting from warranty defects, which shall include structural or production defects or defects in the assembly, or design of motor vehicles, parts, accessories, or other functions beyond the control of the dealer, including without limitation, the selection of parts or components for

the vehicle. Each manufacturer or distributor shall pay reasonable compensation to any authorized dealer who performs work to repair such defects, or to repair any damage to the manufacturer's or distributor's product sustained while the product is in transit to the dealer, when the carrier or the means of transportation is designated by the manufacturer or distributor. Each manufacturer or distributor shall provide to its dealers with each model year a schedule of time allowances for the performance of warranty repair work and services, which shall include time allowances for the diagnosis and performance of warranty work and service time, and shall be reasonable and adequate for the work to be performed.

(2) In the determination of what constitutes "reasonable compensation" under this section the principal factor to be considered shall be the amount of money which the dealer is charging its other customers for the same type service or repair work. However, other factors such as the compensation being paid by other manufacturers or distributors to their dealers for such work; and the prevailing amount of money being paid or charged by the dealers in the city or community in which the authorized dealer is doing business may be considered. "Reasonable compensation" comprehends diagnosing the defect, repair service, labor, parts and administrative and clerical costs, and in no event shall such compensation of a dealer be less than the amount charged by such dealer for like services and parts (minimum compensation for parts shall be dealer cost plus *thirty percent (30%)* [~~twenty-five percent (25%)~~] gross profit) to retail customers for non-warranty service and repairs, or less than the amounts indicated for such work on the schedule of warranty compensation required to be filed by the manufacturer with the bureau as a part of the manufacturer's license application by KRS 190.030.

(3) A manufacturer or distributor shall not require unreasonable proof to establish "reasonable compensation" or delay reimbursement of payment to the dealer beyond thirty-five (35) days from the submission by mail of a valid warranty claim. If a valid warranty claim is not paid within forty-five (45) days, the dealer may give the manufacturer one (1) copy of the dealer's related repair order bearing the customer's signature, the dealer's signature, the date the work was completed, the vehicle serial number or identification number, the odometer reading, the date of delivery of the vehicle, a list of the parts and supplies used if applicable, a brief general description of the defect, and the amount of money charged the manufacturer or distributor for the work. If after fifteen (15) days, the valid warranty claim is still not paid, the dealer may deduct a like amount from any monies due or owing to the manufacturer or distributor. The dealer must hold the defective part or parts for inspection by the manufacturer or distributor for a period of time not to exceed ninety (90) days from the time the warranty claim is submitted. The manufacturer or distributor shall not unfairly discriminate against any dealer in the application of warranty, policy, and procedure or deny any valid warranty order claim submitted by a franchised dealer within thirty (30) days from completion of the work or longer if existing manufacturer-dealer relationships apply. Upon the written request of the dealer for valid reasons the manufacturer will extend the submission time. Any dispute between the dealer and the manufacturer or distributor shall be subject to the provisions of KRS 190.057.

Section 8. KRS 190.047 is amended to read as follows:

(1) Unless a franchise specifically states to the contrary, no franchise or any interest therein may be sold, transferred, or assigned without the approval of the manufacturer or distributor.

(2) A dealer desiring to sell, transfer or assign all or any portion of his franchise shall submit a written proposal of such sale, transfer or assignment to the manufacturer or distributor, and approval of such proposal shall not be arbitrarily or unreasonably withheld.

(3) The refusal of the manufacturer or the distributor to approve a proposed sale, transfer or assignment shall be subject to review by the *licensor* [~~bureau~~], provided a written application for review is filed with the *licensor* [~~bureau~~], with notice to the manufacturer or distributor, within thirty (30) days of the date of such refusal and such refusal shall not be final until the *licensor* [~~bureau~~], after a hearing has been held in accordance with the provisions of KRS 190.057, has determined that the approval was not arbitrarily or unreasonably withheld. The *licensor* [~~bureau~~] shall make such determination within ninety (90) days after the application for review has been filed with the *licensor* [~~bureau~~].

(4) The burden of proof shall be on the dealer to show that the approval of the sale, transfer or assignment of any interest in the franchise was arbitrarily or unreasonably withheld. Factors to be considered in determining whether the manufacturer or distributor acted arbitrarily or unreasonably shall include whether the basic financial and facility requirements of the franchise will be met by the proposed transfer, sale or assignment and that the proposed purchaser, transferee or assignee is capable of operating, managing and supervising the operation of the business in question.

(5) Failure of the manufacturer or distributor to abide by the final order of the *licensor* [~~bureau~~] or to continue the franchise in effect pending the final determination of the issue by the *licensor* [~~bureau~~] shall be cause for the *licensor* [~~bureau~~] to refuse to issue a subsequent license in the same county or franchise area to an applicant who will be selling the same motor vehicles as the former dealer for the same manufacturer or distributor.

(6) In the event that a manufacturer, distributor, factory branch, or factory representative seeks to enter into a franchise establishing an additional new motor vehicle dealership, or relocating an existing new

motor vehicle dealership within or into a relevant market area where the same line make is then represented, the manufacturer, distributor, factory branch, or factory representative shall, in writing, first notify the licensor, and each new motor vehicle dealer in such line make in the relevant market area, of the intention to establish an additional dealership, or to relocate an existing dealership within or into that market area. The relevant market area shall be a radius of ten (10) miles around an existing dealership. Within fifteen (15) days of receiving such notice, or within fifteen (15) days after the end of any appeal procedure provided by the manufacturer, distributor, factory branch, or factory representative, any such new motor vehicle dealership may file with the licensor a protest to the establishment or relocation of the new motor vehicle dealership. When such a protest is filed, the licensor shall inform the manufacturer, distributor, factory branch, or factory representative, that a timely protest has been filed, and that the manufacturer, distributor, factory branch, or factory representative shall not establish or relocate the proposed new motor vehicle dealership until the licensor has held a hearing, if the licensor has determined that there is good cause for not permitting such new motor vehicle dealership. For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership that has not been in operation for two (2) years or more shall be deemed the establishment of an additional new motor vehicle dealership.

(7) In determining whether good cause has been established for not entering into or relocating an additional franchise for the same line make, the licensor shall take into consideration the existing circumstances, including, but not limited to:

(a) Permanency of the investment;

(b) Effect on the retail new motor vehicle business and the consuming public in the relevant market area;

(c) Whether it is injurious to the public welfare for an additional new motor vehicle dealership to be established;

(d) Whether the new motor vehicle dealer of the same line make in that relevant market area is providing adequate competition and convenient consumer care for the motor vehicles of the line make in the market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel;

(e) Growth, or decline in population and new car registrations in the relevant market areas;

(f) Whether the establishment of a new motor vehicle dealership would increase the competition, and therefore, be in the public interest;

(g) The effect on the relocating dealer of a denial of its relocation into the relevant market area.

(8) Any parties to a hearing by the licensor concerning the establishing or relocating of a new motor vehicle dealership shall have a right of review of the decision in a court of competent jurisdiction.

(9)[~~(6) Notwithstanding the provisions of KRS 190.010(2)(a),~~] The provisions of this section shall apply to the personal representative, executor or administrator of the estate of an individual who had an interest in a franchise, or to the committee of an individual who has been declared incompetent and who has such an interest for one (1) year following appointment.

(10) The provisions of this section do not apply to:

(a) The relocation of an existing dealership within that dealer's area of responsibility contained in its franchise agreement, provided the relocation is not within five (5) miles of a new motor vehicle dealer of the same line make; or

(b) The relocation of an existing dealership to a site that is further away from an existing dealership of the same line make.

Section 9. KRS 190.047, 1980 Acts Chapter 396, Section 69, effective July 1, 1982 is amended to read as follows:

(1) Unless a franchise specifically states to the contrary, no franchise or any interest therein may be sold, transferred, or assigned without the approval of the manufacturer or distributor.

(2) A dealer desiring to sell, transfer or assign all or any portion of his franchise shall submit a written proposal of such sale, transfer or assignment to the manufacturer or distributor, and approval of such proposal shall not be arbitrarily or unreasonably withheld.

(3) The refusal of the manufacturer or the distributor to approve a proposed sale, transfer or assignment shall be subject to review by the *licensor* [~~bureau~~], provided a written application for review is filed with the *licensor* [~~bureau~~], with notice to the manufacturer or distributor, within thirty (30) days of the date of such refusal and such refusal shall not be final until the *licensor* [~~bureau~~], after a hearing has been held in accordance with the provisions of KRS 190.057, has determined that the approval was not arbitrarily or unreasonably withheld. The *licensor* [~~bureau~~] shall make such determination within ninety days after the application for review has been filed with the *licensor* [~~bureau~~].

(4) The burden of proof shall be on the dealer to show that the approval of the sale, transfer or assignment of any interest in the franchise was arbitrarily or unreasonably withheld. Factors to be considered in determining whether the manufacturer or distributor acted arbitrarily or unreasonably shall include whether the basic financial and facility requirements of the franchise will be met by the proposed transfer,

sale or assignment and that the proposed purchaser, transferee or assignee is capable of operating, managing and supervising the operation of the business in question.

(5) Failure of the manufacturer or distributor to abide by the final order of the *licensor* [~~bureau~~] or to continue the franchise in effect pending the final determination of the issue by the *licensor* [~~bureau~~] shall be cause for the *licensor* [~~bureau~~] to refuse to issue a subsequent license in the same county or franchise area to an applicant who will be selling the same motor vehicles as the former dealer for the same manufacturer or distributor.

(6) In the event that a manufacturer, distributor, factory branch, or factory representative seeks to enter into a franchise establishing an additional new motor vehicle dealership, or relocating an existing new motor vehicle dealership within or into a relevant market area where the same line make is then represented, the manufacturer, distributor, factory branch, or factory representative shall, in writing, first notify the licensor, and each new motor vehicle dealer in such line make in the relevant market area, of the intention to establish an additional dealership, or to relocate an existing dealership within or into that market area. The relevant market area shall be less than a radius of ten (10) miles around an existing dealership. Within fifteen (15) days of receiving such notice, or within fifteen (15) days after the end of any appeal procedure provided by the manufacturer, distributor, factory branch, or factory representative, any such new motor vehicle dealership may file with the licensor a protest to the establishing or relocating of the new motor vehicle dealership. When such a protest is filed, the licensor shall inform the manufacturer, distributor, factory branch, or factory representative that a timely protest has been filed, and that the manufacturer, distributor, factory branch, or factory representative shall not establish or relocate the proposed new motor vehicle dealership until the licensor has held a hearing, if the licensor has determined that there is good cause for not permitting such new motor vehicle dealership. For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership that has not been in operation for one (1) year or more shall be deemed the establishment of an additional new motor vehicle dealership.

(7) In determining whether good cause has been established for not entering into or relocating an additional franchise for the same line make, the licensor shall take into consideration the existing circumstances, including, but not limited to:

(a) Permanency of the investment;

(b) Effect on the retail new motor vehicle business and the consuming public in the relevant market area;

(c) Whether it is injurious to the public welfare for an additional new motor vehicle dealership to be established;

(d) Whether the new motor vehicle dealer of the same line make in that relevant market area is providing adequate competition and convenient consumer care for the motor vehicles of the line make in the market area which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of vehicle parts and qualified service personnel.

(8) Any parties to a hearing by the licensor concerning the establishing or relocating of a new motor vehicle dealership shall have a right of review of the decision in Franklin Circuit Court.

(9)[~~(6) Notwithstanding the provisions of KRS 190.010(2)(a),~~] The provisions of this section shall apply to the personal representative, executor or administrator of the estate of an individual who had an interest in a franchise, or to the guardian or conservator of an individual who has been declared mentally disabled and who has such an interest for one (1) year following appointment.

(10) The provisions of this section do not apply to:

(a) The relocation of an existing dealership within that dealer's area of responsibility contained in its franchise agreement, provided the relocation is not within five (5) miles of a new motor vehicle dealer of the same line make; or

(b) The relocation of an existing dealership to a site that is further away from an existing dealership of the same line make.

SECTION 10. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) Any owner of a new motor vehicle dealership may appoint by will, or any other written instrument, a designated family member to succeed in the ownership interest of the said owner in the new motor vehicle dealership.

(2) Unless there exists good cause for refusal to honor succession on the part of the manufacturer or distributor, any designated family member of a deceased or incapacitated owner of a new motor vehicle dealership may succeed to the ownership of the new motor vehicle dealership under the existing franchise provided that:

(a) The designated family member gives the manufacturer or distributor written notice of his or her intention to succeed to the ownership of the new motor vehicle dealership within ninety (90) days of the owner's death or incapacity; and

(b) The designated family member agrees to be bound by all the terms and conditions of the franchise.

(3) The manufacturer or distributor may request, and the designated family member shall provide, promptly upon said request, personal and financial data that is reasonably necessary to determine whether the succession should be honored.

SECTION 11. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) If a manufacturer or distributor believes that good cause exists for refusing to honor the succession to the ownership of a new motor vehicle dealership by a family member of a deceased or incapacitated owner of a new motor vehicle dealership under the existing franchise agreement, the manufacturer or distributor may, not more than sixty (60) days following the receipt of:

(a) Notice of the designated family member's intent to succeed to the ownership of the new motor vehicle dealership; or

(b) Any personal or financial data which it has requested;

serve upon the designated family member and the commission, notice of its refusal to honor the succession and its intent to discontinue the existing franchise with the dealer no sooner than ninety (90) days from the date such notice is served.

(2) The notice provided in subsection (1)(b) of this section must state the specific grounds for the refusal to honor the succession and of its intent to discontinue the existing franchise with the new motor vehicle dealer no sooner than ninety (90) days from the date such notice is served.

(3) If notice of refusal and discontinuance as provided in subsection (1)(b) of this section is not timely served upon the family member, the franchise shall continue in effect subject to termination only as otherwise permitted by this Act.

(4) In determining whether good cause for the refusal to honor the succession exists, the manufacturer, distributor, factory branch, or importer has the burden of proving that the successor is a person who is not of good moral character or does not meet the franchisor's existing and reasonable standards, and considering the volume of sales and service of the new motor vehicle dealership, the uniformly applied business experience standards in the market area.

Section 12. KRS 190.0491 is amended to read as follows:

(1) "Delivery" of a motor vehicle to a dealer by a manufacturer or distributor for the purposes of this section shall be accomplished by the:

(a) Tender of the motor vehicle and any documents necessary to enable the dealer to obtain title and possession of the motor vehicle at the dealer's place of business or designated place of delivery, and

(b) The giving of notice of such tender of the motor vehicle and documents to the dealer.

(2) Whenever a motor vehicle is damaged while in transit when the carrier or the means of transportation is designated by the manufacturer or distributor, or whenever a motor vehicle is otherwise damaged prior to delivery to the dealer, the dealer must:

(a) Notify the manufacturer or distributor of such damage within three (3) working days of the occurrence of the delivery of the motor vehicle as defined in subsection (1) of this section; and

(b) Must request from the manufacturer or distributor authorization to repair the damages sustained or to replace the parts or accessories damaged.

Such notification of damage by the dealer must be by certified mail, with a notice of delivery requested to be returned to the dealer, and shall be presumed to have occurred upon deposit of the notice with the United States postal service.

(3) In the event the manufacturer or distributor refuses or fails to authorize repair or replacement of any such damage within three (3) working days of notification of damage by the dealer, ownership of the motor vehicle shall revert to the manufacturer or distributor, and the dealer shall incur no obligations, financial or otherwise, for such damage to the motor vehicle. In determining when such notification of the damage by the dealer to the manufacturer or distributor occurs, the date the notice is received by the manufacturer or distributor by the United States postal service indicated on the notice of delivery returned to the dealer shall be controlling.

(4) In computing the lapse of three (3) working days under this section, the day of the occurrence of delivery of the motor vehicle to the dealer by the manufacturer or distributor, as defined in subsection (1) of this section, or the day of notification of the damage to the manufacturer or distributor by the dealer, as described in subsection (3) of this section, is not to be included, but the last working day of the period so computed is to be included.

(5) Prior to the sale of any motor vehicle damaged prior to delivery to the dealer as described in subsection (2) of this section, excluding damage to glass, tires and bumpers when replaced by identical manufacturer's original equipment and any damage *not exceeding six percent (6%) of the sticker price of the vehicle* [~~requiring less than four (4) hours to repair, above~~], the occurrence and extent of such damage must be disclosed by the dealer to the consumer, and upon repair of the damage sustained, or replacement of the parts or accessories damaged, the manufacturer and/or dealer, must certify to the consumer that the motor

vehicle has been repaired or remanufactured to the manufacturer's standards; if the dealer makes the certification he shall be indemnified by the manufacturer. Upon such certification, liability for any concealed damages then remaining with the motor vehicle shall lie with the manufacturer.

(6) Whenever a motor vehicle is damaged after delivery to the dealer by the manufacturer or distributor, as defined in subsection (1) of this section, but before sale by the dealer to the consumer, the occurrence and extent of such damage must be disclosed by the dealer to the consumer prior to such sale, and upon repair of the damage sustained, or replacement of parts or accessories damaged, the dealer must certify to the consumer that this motor vehicle has been repaired or remanufactured according to the manufacturer's standards. Upon such certification, liability for any concealed damages then remaining with the motor vehicle shall lie with the dealer.

(7) Notwithstanding the terms of any franchise agreement, it shall be a violation of this section for any new motor vehicle manufacturer to fail to indemnify and hold harmless its franchised dealers against any judgment or settlement agreed to in writing by the manufacturer for damages, including, but not limited to, court costs and reasonable attorneys' fees of the new motor vehicle dealer, arising out of complaints, claims or lawsuits including, but not limited to, strict liability, negligence, misrepresentation, warranty (express or implied), or recission of the sale as is defined in Section 2-608 of the Uniform Commercial Code, to the extent that the judgment or settlement agreed to in writing by the manufacturer relates to the alleged defective or negligent manufacture, assembly, or design of new motor vehicles, parts, or accessories or other functions by the manufacturer, beyond the control of the dealer.

Section 13. KRS 190.070 is amended to read as follows:

(1) *It shall be a violation of this section for any manufacturer, distributor, factory branch, or factory representative licensed under this code to require any new motor vehicle dealer in the Commonwealth:*

(a) To order or accept delivery of any motor vehicle, part or accessory thereof, appliances, equipment, or any other product not required by law, which shall not have been voluntarily ordered by the new motor vehicle dealer; except that this subsection is not intended to modify or supercede any terms or provisions of the franchise requiring new motor vehicle dealers to market a representative line of those motor vehicles which the manufacturer or distributor is publicly advertising.

(b) To order or accept delivery of any new motor vehicle with special features, appliances, accessories, or equipment not included in the list price of such motor vehicles, as publicly advertised by the manufacturer or distributor.

(c) To order for any person any parts, accessories, equipment, machinery tools, appliance, or any commodity whatsoever not required in connection with a recall campaign.

(d) To participate monetarily in an advertising campaign or contest, any promotional materials, training materials, showroom or other display decorations, or materials, at the expense of the dealer, without the consent of the dealer.

(e) To enter into any agreement with the manufacturer, distributor, factory branch, or factory representative, or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer, distributor, factory branch, or factory representative. Notice in good faith to any dealer of the dealer's violation of any terms or provisions of such franchise, or contractual agreement shall not constitute a violation of this law.

(f) To change the capital structure of the dealership, or the means by or through which the dealer finances the operation of the dealership, provided that the dealership at all times meets any reasonable capital standards agreed to by the dealer, excluding any entity engaged primarily in providing financing or insurance on motor vehicles.

(g) To refrain from participation in the management or investment in, or the acquisition of any other line of new motor vehicle or related products; provided, however, that this subsection does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicles, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facility requirements of the manufacturer, and no change is made in the principal management of the new motor vehicle dealership.

(h) To change location of the dealership, or to, during the course of the agreement, make any substantial alterations to the dealership premises, when to do so, would be unreasonable in light of the current economic, political, and social considerations.

(i) To prospectively assent to a release, assignment, novation, waiver, or estoppel which would relieve any person from liability to be imposed by this law, or to require any controversy between a dealer and a manufacturer, distributor, or representative, to be referred to any person other than the duly constituted courts of the Commonwealth or the United States of America, or to the commissioner, if such referral would be binding upon the dealer.

(2) It shall be a violation of this section for any manufacturer, distributor, factory branch, or factory representative:

(a) To delay, refuse, or fail to deliver motor vehicles, or vehicle parts or accessories in reasonable quantities relative to the new motor vehicle dealer's facilities and sales potential in the new motor vehicle

dealer's relevant market area, and within a reasonable time, but in any case no more than sixty (60) days, after receipt of an order from a dealer having a franchise for the retail sale of any new vehicle sold or distributed by the manufacturer or distributor, any new vehicle, parts, or accessories to new vehicles as are covered by such franchise, if such vehicle, parts, or accessories are publicly advertised as being available for delivery or actually being delivered. The delivery to another dealer of a motor vehicle of the same model and similarly equipped as the vehicle ordered by a motor vehicle dealer who has not received delivery thereof, but who had placed his written order for the vehicle prior to the order of the dealer receiving the vehicle, shall be prima facie evidence of a delayed delivery of, or refusal to deliver, a new motor vehicle to a motor vehicle dealer within sixty (60) days, without cause. This subsection is not violated, however, if such failure is caused by acts or causes beyond the control of the manufacturer, distributor, factory branch, or factory representative.

(b) To refuse to disclose to any new motor vehicle dealer, handling the same line make, the manner and mode of distribution of that line make within the relevant market areas.

(c) To prevent or attempt to prevent a dealer from receiving fair and reasonable compensation for the value of the franchised business. There shall be no transfer or assignment of the dealer's franchise without the consent of the manufacturer or distributor, which consent shall not be unreasonably withheld.

(d) To obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and such other person, other than for compensation for services rendered, unless such benefit is promptly accounted for, and transmitted to, the dealer, excluding any entity engaged primarily in providing financing or insurance on motor vehicles.

(e) To increase prices of motor vehicles which the dealer had ordered for private retail customers prior to the dealer's receipt of the written official price increase notification, a sales contract signed by a private retail consumer shall constitute evidence of each such order, provided that the vehicle is in fact delivered to the customer. In the event of manufacturer price reductions, the amount of any such reduction received by a dealer shall be passed on to the private retail consumer by the dealer, if the retail price was negotiated on the basis of the previous higher price to the dealer. Price reductions shall apply to all vehicles in the dealers inventory which were subject to the price reduction. Price differences applicable to new model or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase or price increase. Price changes caused by the following shall not be subject to the provisions of this subsection:

1. The addition to a motor vehicle of required or optional equipment pursuant to state or federal law;

2. Revaluation of the United States dollar, in the case of foreign-make vehicles or components.

3. Increased transportation charges due to an increase in the rate charged by common carrier or transporter.

(f) To offer any refunds or other types of inducements to any person for the purchase of new motor vehicles of a certain line make to be sold to the state or any political subsection thereof, without making the same offer, upon written request, to all other dealers in the same line make within the relevant market area.

(g) To release to any outside party, except under subpoena, any administrative, judicial or arbitration proceedings, or any business, financial, or personal information which may be, from time to time, provided by the dealer to the manufacturer, without the express written consent of the dealer.

(h) To deny any dealer the right of free association with any other dealer for any lawful purpose.

(i) To compete without good faith with a new motor vehicle dealer in the same line make, operating under an agreement or franchise from the aforementioned manufacturer, distributor, factory branch, or factory representative in the relevant market area. A manufacturer, distributor, factory branch, or factory representative shall not, however, be deemed to be competing when operating a dealership, either temporarily for a reasonable period, or in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment, subject to loss in the dealership, and can reasonably expect to acquire full ownership of such dealership on reasonable terms and conditions.

(j) To unfairly discriminate among its new motor vehicle dealers with respect to warranty reimbursement or authority granted its new motor vehicle dealers to make warranty adjustment with retail customers.

(k) To fail to give consent to the sale, transfer, or exchange of the franchise to a qualified buyer capable of being licensed as a new motor vehicle dealer in this state; provided that consent may be withheld when in light of other circumstances, granting the consent would be unreasonable.

(l) To fail to be licensed as provided in this chapter, and to maintain a bond in an amount as determined by this chapter. [~~No manufacturer of motor vehicles, no wholesaler or distributor of motor vehicles, and no officer, agent or representative of either shall induce or coerce, or attempt to induce or coerce, any~~

~~retail motor vehicle dealer or prospective retail motor vehicle dealer in this state to sell, assign or transfer any retail instalment sales contract, obtained by such dealer in connection with the sale by him in this state of motor vehicles manufactured or sold by such manufacturer, wholesaler or distributor, to a specified sales finance company or class of such companies, or to any other specified person, by any of the acts or means hereinafter set forth, namely:~~

~~(a) By any statement, suggestion, promise or threat that such manufacturer, wholesaler or distributor will in any manner benefit or injure such dealer, whether such statement, suggestion, threat or promise is express or implied, or made directly or indirectly.~~

~~(b) By any act that will benefit or injure such dealer.~~

~~(c) By any contract, or any express or implied offer of contract, made directly or indirectly to such dealer, for handling such motor vehicles, on the condition that such dealers sell, assign or transfer his retail instalment contract thereon, in this state, to a specified sales finance company or class of such companies, or to any other specified person.~~

~~(d) By any express or implied statement or representation, made directly or indirectly, that such dealer is under any obligation whatsoever to sell, assign or transfer any of his retail sales contracts, in this state, on motor vehicles manufactured or sold by such manufacturer, wholesaler or distributor to such sales finance company, or class of companies or other specified person, because of any relationship or affiliation between such manufacturer, wholesaler or distributor and such finance company or companies or such specified person or persons.~~

~~(2) Any such statements, threats, promises, acts, contracts or offers of contracts, set forth in subsection (1) of this section are declared unfair trade practices and unfair competition and against the policy of this state, are unlawful and are prohibited.~~

~~(3) No sales finance company, and no officer, agent or representative thereof, shall induce or coerce or attempt to induce or coerce any retail motor vehicle dealer to transfer to such sales finance company any of the retail instalment sales contracts in this state of such dealer on any motor vehicle by any of the following acts or means, namely:~~

~~(a) By any statement or representation, express or implied, made directly or indirectly, that the manufacturer, wholesaler or distributor of such motor vehicles will grant such dealer a franchise to handle such motor vehicles if such dealer shall sell, assign or transfer all or part of such retail sales contracts to such sales finance company.~~

~~(b) By any statement or representation, express or implied, made directly or indirectly, that the manufacturer, wholesaler or distributor of such motor vehicles will in any manner benefit or injure such dealer if such dealer shall or shall not sell, assign or transfer all or part of such retail sales contracts to such sales finance company.~~

~~(c) By any express or implied statement or representation made directly or indirectly, that there is an express or implied obligation on the part of such dealer to so sell, assign or transfer all or part of such retail sales contracts on such motor vehicles to such sales finance company because of any relationship or affiliation between such sales finance company and the manufacturer, wholesaler or distributor of such motor vehicles.~~

~~(4) Any such statement or representation set forth in subsection (3) of this section is declared to be unfair trade practices and unfair competition and against the policy of this state, are unlawful and are prohibited.~~

~~(5) Any retail motor vehicle dealer who, pursuant to any inducement, statement, promise or threat hereinbefore declared unlawful, shall sell, assign or transfer any or all of his retail instalment contracts shall not be guilty of any unlawful act and may be compelled to testify to each such act.~~

~~(6) No manufacturer shall directly or indirectly pay or give, or contract to pay or give, anything of service or value to any sales finance company licensee in this state, and no such licensee in this state shall accept or receive or contract or agree to accept or receive directly or indirectly any payment or service of value from any manufacturer, if the effect of the payment or giving of any such thing of service or value by the manufacturer, or the acceptance or receipt thereof, by the sales finance company licensee, may be to lessen or eliminate competition or tend to grant an unfair trade advantage or create a monopoly in the licensee who accepts or receives the payment, thing or service of value or contracts or agrees to accept or receive the same.~~]

SECTION 14. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) It shall be a violation of this section for any new motor vehicle dealer:

(a) To require the purchaser of a motor vehicle as a condition of sale and delivery thereof, to also purchase special features, appliances, accessories, or equipment not desired or requested by the purchaser, unless such features, appliances, accessories, or equipment are the type which are ordinarily installed on the vehicle by the manufacturer or distributor when the vehicle is received or acquired by the dealer.

(b) To represent or sell as a new or unused motor vehicle any vehicle which has been operated for demonstration purposes, or which is otherwise a used motor vehicle.

(c) To sell or offer for sale as a new or unused motor vehicle any motor vehicle for which he cannot secure for the purchaser thereof such new car warranty as may be extended by the manufacturer of the vehicle to purchasers of one (1) of its new vehicles, unless the fact that the vehicle being sold without a manufacturer's warranty is communicated to the purchaser, and disclosed prominently in writing on the bill of sale.

(d) To fail to have an established place of business which is used, or will be used primarily for the purpose of selling, buying, displaying, repairing, or servicing motor vehicles.

(e) To use false or fraudulent representations in connection with the operation of the new motor vehicle dealership.

(f) To fail to reasonably supervise his agents, salesmen, or employes.

(g) To transfer a new motor vehicle with a manufacturer's statement of origin to a motor vehicle dealer who does not have either a valid service agreement or franchise from the particular line make manufacturer, distributor, factory branch or factory representative.

Section 15. The following section of KRS is repealed:

190.041 Law not applicable to manufacturers or distributors — Exceptions.

Representative Craddock moved that the House concur in the Senate Committee Substitute to **HB 421.** Agreed.

Representative Craddock moved that **HB 421,** by way of Senate Committee Substitute, be passed.

On the roll call the vote was yeas 66-Arnold, Bennett, Blevins, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Gray, Handy, Harper, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Morris, Nett, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington. Nays 16-Allen, Barrows, Blandford, Boswell, Burnette, Clapp, Cowan, Freibert, Haering, Hancock, Head, Heleringer, Layman, Moberly, Moore, Noe.

HB 421, by way of Senate Committee Substitute, was passed and the title agreed to.

Representative Craddock moved that the vote by which **HB 421,** by way of Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 571, with Second Senate Committee Substitute and Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Second Senate Committee Substitute to **HB 571** is as follows:

HB 571, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 139.050 is amended to read as follows:

(1) "Gross receipts" means the total amount of the sale, lease or rental price, as the case may be, of "retail sales," or "sales at retail," valued in money, whether received in money or otherwise, without any deduction on account of any of the following:

(a) The cost of the property sold. However, in accordance with such rules and regulations as the department may prescribe, a deduction may be taken if the retailer has purchased property for some purpose other than resale, has reimbursed his vendor for tax which the vendor is required to pay to the state or has paid the use tax with respect to the property, and has resold the property prior to making any use of the property other than retention, demonstration or display while holding it for sale in the regular course of business. If such a deduction is taken by the retailer, no refund or credit will be allowed to his vendor with respect to the sale of the property;

(b) The cost of the materials used, labor or service cost, interest paid, losses or any other expense;

(c) The cost of transportation of the property prior to its sale to the purchaser.

(2) The total amount of the sale or lease or rental price includes all of the following:

(a) Any services that are a part of the sale;

(b) All receipts, cash, credits and property of any kind;

(c) Any amount for which credit is allowed by the seller to the purchaser.

(3) "Gross receipts" do not include any of the following:

(a) Cash discounts allowed and taken on sales (provided that premium or trading stamps shall not be considered as cash discounts);

(b) Sale price of property returned by customers when the full sale price is refunded either in cash or credit; but this exclusion shall not apply in any instance when the customer, in order to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned;

(c) The price received for labor or services used in installing or applying the property sold;

(d) The amount of any tax (not including, however, any manufacturer's excise or import duty) imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer;

(e) Sales of gasoline and special fuels subjected to tax under KRS chapter 138;

(f) The sales price of any motor vehicle as defined by KRS 138.450(2) which is registered for use on the public highways and upon which any applicable tax levied under KRS 138.460 has been paid; or, the sales price of vehicles defined under KRS 189.010(11) and 189.010(16)*;*

(g) Sales of distilled spirits, wine and malt beverages not consumed on the premises licensed for their sale under the provisions of KRS Chapter 243.

(4) For purposes of the sales tax, if the retailer establishes to the satisfaction of the department that the sales tax has been added to the total amount of the sale price and has not been absorbed by the retailer, the total amount of the sale price shall be deemed to be the amount received exclusive of the tax imposed.

SECTION 2. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

For the purposes of this Act, "wholesale sale" or "sale at wholesale" means a sale made for the purpose of resale in the regular course of business of beer, wine, or distilled spirits, but shall exclude sales between wholesalers, and between distributors.

SECTION 3. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of this act, a "wholesaler" is a licensee authorized to do business pursuant to KRS 243.160 and 243.170.

(2) For the purposes of this Act, a "distributor" is a licensee authorized to do business pursuant to KRS 243.180.

Section 4. KRS 139.200 is amended to read as follows:

(1) For the privilege of making "retail sales" or "sales at retail," a tax is hereby imposed upon all retailers at the rate of five per cent (5%) of the gross receipts of any retailer derived from "retail sales" or "sales at retail" made within this commonwealth on and after April 1, 1968.

(2) For the privilege of making "wholesale sales" or "sales at wholesale" of beer, wine, or distilled spirits, a tax is hereby imposed upon all wholesalers of wine and distilled spirits at the rate of ten percent (10%) and upon all distributors of beer at the rate of eight percent (8%) of the gross receipts of any such wholesaler or distributor derived from "sales at wholesale" or "wholesaler sales" made within the Commonwealth. Sales made between wholesalers or between distributors shall not be taxed under the provisions of this Act.

Section 5. KRS 243.720 is amended to read as follows:

(1) There is levied upon the use, sale or distribution by sale or gift of distilled spirits a tax of one dollar and ninety-two cents ($1.92) on each wine gallon of distilled spirits, and a proportional rate per gallon on all distilled spirits used, sold or distributed in any container of more or less than one (1) gallon, but the rate of the excise tax on spirits in retail containers of one-half (½) pint shall be twelve cents (12¢).

(2) There is levied upon the use, sale or distribution by sale or gift of wine, a tax of fifty cents (50¢) on each gallon of wine, and a proportional rate per gallon on the wine used, sold or distributed in any container of more or less than one (1) gallon, but in no event shall the tax be less than four cents (4¢) on the sale or distribution of any retail container of wine.

(3)(a) There is levied upon the sale or distribution by sale or gift of malt beverages an excise tax of two dollars and fifty cents ($2.50) on each barrel of thirty-one (31) gallons and a proportional rate per gallon on malt beverages sold or distributed in any container of more or less than thirty-one (31) gallons.

(b) Each brewer producing malt beverages in this state shall be entitled to a credit of fifty percent (50%) of the tax levied on each barrel of malt beverages sold in this state, up to *300,000* [~~200,000~~] barrels per annum.

(4) This section shall not apply to:

(a) Wine manufactured, sold, given away or distributed and used solely for sacramental purposes; or

(b) Distilled spirits and wine purchased by holders of special licenses provided for in KRS 243.320 and 243.330 and purchased and used in the manner authorized by those licenses.

Section 6. KRS 243.730 is amended to read as follows:

(1) (a) Wholesalers of distilled spirits and wine shall pay and report the tax levied by KRS 243.720 (1) and (2) *and subsection (2) of Section 4 of this Act* on or before the *twentieth* [~~fifteenth~~] day of the calendar month next succeeding the month in which possession or title of the *distilled spirits and wine is transferred from the wholesaler to retailers or consumers in this state* [~~alcoholic beverages is acquired~~], in accordance with rules and regulations of the department of revenue designed reasonably to protect the revenues of the Commonwealth.

(b) Brewers of malt beverages shall pay and report the tax levied by KRS 243.720(3) *and subsection (2) of Section 4 of this Act* on or before the *twentieth* [~~fifteenth~~] day of the calendar month next succeeding the month in which the brewer sells, transfers, or passes title of the malt beverage to a distributor, retailer or consumer within this state, in accordance with rules and regulations of the department of revenue designed reasonably to protect the revenues of the Commonwealth.

(c) Every other person selling, transferring, or passing title of distilled spirits, wine or malt beverages to distributors, retailers or consumers shall report and pay the tax levied by KRS 243.720(1), (2) or (3) *and subsection (2) of Section 4 of this Act* on or before the *twentieth* [~~fifteenth~~] day of the calendar month next succeeding the month in which possession or title of distilled spirits, wine or malt beverages is transferred to a distributor, retailer or consumer in this state, in accordance with rules and regulations of the department of revenue designed reasonably to protect the revenues of the Commonwealth.

(d) Every distributor, retailer or consumer possessing, using, selling or distributing distilled spirits, wine or malt beverages in this state upon which the tax levied by KRS 243.720(1), (2) or (3) *and subsection (2) of Section 4 of this Act* has not been paid shall be jointly and severally liable for reporting and paying the tax due, in accordance with rules and regulations of the department of revenue designed reasonably to protect the revenues of the Commonwealth. Such liability shall not be extinguished until the tax has been paid to the department.

(2) Every wholesaler of distilled spirits or wine before using, selling or distributing by sale or gift distilled spirits and wine shall qualify with the department of revenue. In order to so qualify, each wholesaler shall furnish to the department of revenue a certified copy of the bond required to be filed with the department of alcoholic beverage control under the provisions of KRS 243.400(2).

(3) Notwithstanding the provisions of KRS 243.400(1), every brewer before selling or distributing by sale or gift malt beverages, or before importing malt beverages into the state, shall qualify with the department of revenue by filing with the department a corporate surety bond in the minimum amount of one thousand dollars ($1,000) or an amount equal to three (3) times his average monthly Kentucky malt beverage tax liability, whichever is greater. The bond shall be on a form prescribed by the department and shall have corporate surety registered by the department of insurance. The brewer shall be the principal obligor and the state the obligee. The bond shall be conditioned upon the prompt payment by the brewer to the department of revenue of all malt beverage taxes due, with penalties and interest.

(4) The department shall have the power to require a bond from any other person liable for Kentucky distilled spirits, wine or malt beverage taxes provided such person is not otherwise required to post a bond under the provisions of this section. The amount of the bond for persons liable for Kentucky distilled spirits or wine tax shall be computed as provided in KRS 243.400(2). The amount of the bond for persons liable for Kentucky malt beverage tax shall be computed as provided in subsection (3) of this section.

SECTION 7. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

To reimburse himself for the cost of collecting and reporting the tax, each person required to pay and report the tax levied by subsection (2) of Section 4 of this Act shall deduct on each report one percent (1%) of the tax due, provided the amount due is not delinquent at the time of payment.

Section 8. KRS 243.850 is amended to read as follows:

For the purpose of assisting in the enforcement of KRS 243.720 to 243.850 *and subsection (2) of Section 4 of this Act* or any amendments thereof, every licensee, except retailers, whether subject to the payment of taxes imposed by said sections or any amendments thereof, shall, on or before the *twentieth* [~~fifteenth~~] day of each month, render to the department of revenue a sworn or affirmed statement, in writing, of all his trafficking in alcoholic beverages during the preceding month. Such statement shall be taken directly from the records of the reporting licensee, and shall set forth on forms furnished by the department of revenue such information as shall be required by it. Such statement shall include alcohol destined for sale outside the state, as well as alcoholic beverages subject to the tax imposed by KRS 243.720 to 243.850 *and subsection (2) of Section 4 of this Act* or any amendments thereof. Provided, That the department of revenue shall have authority to require from retail licensees and other licensees, other reports and statements at such times as are necessary for the enforcement of KRS 243.720 to 243.850 *and subsection (2) of Section 4 of this Act* or any amendments thereof.

SECTION 9. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

Every retailer of distilled spirits, wine or malt beverages shall, within fifty (50) days from the effective date of this Act, report and pay to the department of revenue a floor stocks tax equal to ten percent (10%) of the purchase price of distilled spirits and wine and eight percent (8%) of the purchase price of malt beverages in the possession of such retailers in this state at the close of business on the day immediately preceding the effective date of this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

Receipts derived from taxes assessed and collected under the provisions of this chapter shall be appropriated for general fund purposes.

Section 11. KRS 243.010 is amended to read as follows:

(1) As used in KRS *Chapter 243 and subsection (2) of Section 4 of this Act* [~~243.020 to 243.710~~], unless the context requires otherwise, the words and terms defined in KRS 241.010 have the meaning given to them in KRS 241.010, except that in KRS 243.720 to 243.850 the word "department" means the department of revenue, and the word "commissioner" means the commissioner of revenue.

(2) As used in KRS 243.720 to 243.850, unless the context requires otherwise:

(a) "Alcohol," "alcoholic beverage," "bottling," "licensee," "malt beverage" and "manufacturer" have the meaning given to them in KRS 241.010 and "department" means the department of revenue.

(b) "Distilled spirits" means any alcoholic beverage, except malt beverages and wine.

(c) "Retail container" means any bottle, can, barrel or other container which, without a separable intermediate container, holds alcoholic beverage and which is suitable and destined for sale to a retail outlet, whether it is suitable for delivery to the consumer or not.

(d) "Retail outlet" means retailers, hotels, restaurants, railroad dining cars, clubs and any person who sells alcoholic beverages to consumers or to any person other than a manufacturer licensed by this state or some other state or a wholesaler licensed by this state or some other state or a retail outlet licensed by this state or some other state or a state alcoholic beverage corporation.

(e) "Retail sale" means sale by a retail outlet.

(f) "Wholesaler" means any person who distributes alcoholic beverages for the purpose of being sold at retail, but it shall not include a subsidiary of a manufacturer or cooperative of retail outlet.

(g) "Wine" means the product of the normal alcoholic fermentation of the juices of fruits, with the usual processes of manufacture and normal additions, and includes champagne, sparkling and fortified wine of an alcoholic content not exceeding twenty-four percent (24%) by volume. It includes preparations or mixtures vended in retail containers if such preparations or mixtures contain not exceeding fifteen percent (15%) of alcohol by volume.

SECTION 12. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) A wholesaler, his agents or employes, shall sell or contract to sell distilled spirits and wine only by a written invoice made concurrently with the sale or delivery, showing price, name, license number and designated premises of licensed retailer. Sales and deliveries shall only be made to the designated premises of retail licensee shown on written invoice and each retail licensee shall constitute a separate purchasing entity for the premises designated on license. Each licensed premises of a multi-licensee shall constitute a separate purchasing entity.

(2) No wholesaler shall make, directly or indirectly, through any agent or employe, and no retailer shall receive any payment of any allowance, rebate, refund, concession, or discount, whether in the form of money or otherwise, that does not conform with the prices and conditions of sales shown on the invoice.

Section 13. KRS 241.060 is amended to read as follows:

The board shall have the following functions, powers and duties:

(1) To adopt reasonable regulations governing the procedure relative to applications for and revocations of licenses and relative to all other matters over which the board has jurisdiction, and for the supervision and control of manufacture, sale, transportation, storage, advertising and trafficking of alcoholic beverages. Regulations need not be uniform in their application, but may vary in accordance with reasonable classifications;

(2) To limit in its sound discretion the number of licenses of each kind or class to be issued in this state or any political subdivision, and restrict the locations of licensed premises. To this end the board may make reasonable division and subdivision of the state or any political subdivision into districts. Regulations relating to the granting, refusal and revocation of licenses may be different within the several divisions of subdivisions;

(3) To hold hearings, subpoena witnesses, compel their attendance, administer oaths, examine any person under oath and require the production of any books or papers relative to the inquiry, regardless of whether the witnesses are licensees. The power provided in this subsection may be delegated by the board

to any member or employe of the department. Provisions of the Rules of Civil Procedure shall apply to subpoenas issued pursuant to this subsection, but such subpoenas shall be effective throughout the state and shall be enforceable by petition to a court of competent jurisdiction. The department may pay witnesses the per diem and mileage provided in KRS 421.015;

(4) To conduct hearings and appeals under KRS 241.150, 241.200, 243.470 and 243.520 and render decisions upon the subjects of the hearings and appeals;

(5) To suspend, revoke or cancel for cause, after a hearing, any license issued under KRS 243.020 to 243.670;

(6) If violation of KRS Chapter 241, KRS 243.020 to 243.670 or KRS Chapter 244 has taken place on the premises within the knowledge of the owner, or was committed or permitted in or upon premises owned by a licensee, the board shall prohibit the issuance of a license for the premises until the expiration of two (2) years from the time the offense was committed;

(7) To suspend a license for any cause for which the board is authorized to exercise its discretion as to revoking a license;

(8) To make rules and regulations and to provide forms that may be necessary to regulate the alcoholic beverage industry and to make *KRS 244.440 and 244.450* [~~KRS 244.380 to 244.470~~] effective.

Section 14. KRS 243.490 is amended to read as follows:

[~~(1)~~] Any license issued under KRS 243.020 to 243.670 may be revoked by the state board if the licensee shall have violated any of the provisions of chapter 241, 243 or 244, or any rule or regulation of the said board or of the department of revenue relating to the regulation of the manufacture, sale and transportation or taxation of alcoholic beverages or if such licensee shall have violated or shall violate any act of congress or any rule or regulation of any federal board, agency or commission, or any ordinance now, heretofore, or hereafter in effect relating to the regulation of the manufacture, sale and transportation or taxation of intoxicating liquors or any rules or regulations of any local alcoholic beverage authority or any similar body heretofore in existence or authorized by the terms of chapters 241, 243 and 244 to be created, or if any clerk, agent, servant, or employe of any licensee shall violate any of the laws, regulations or ordinances above referred to, irrespective of whether the licensee knew of or permitted the violation or whether the violation was committed in disobedience of his instructions, or any such license may be revoked for any cause which the alcoholic beverage control board in the exercise of its sound discretion deems sufficient. A license may be revoked for any of the reasons for which the administrator would have been required to refuse a license if the facts had been known.

[~~(2) Any license issued under KRS 243.020 to 243.670 may be revoked by the board if the licensee is guilty of unfair competition as defined in KRS 244.470.~~]

Section 15. KRS 244.990 is amended to read as follows:

(1) Any person who, by himself or acting through another, directly or indirectly, violates any of the provisions of this chapter for which no other penalty is provided, except *KRS 244.440 and 244.450* [~~KRS 244.380 to 244.470,~~] shall, for the first offense, be fined not less than one hundred dollars ($100) nor more than two hundred dollars ($200) or imprisoned in the county jail or workhouse for not more than six (6) months, or both; and for the second and each subsequent violation, he shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) or imprisoned in the county jail or workhouse for not more than six (6) months, or both. The penalties provided for in this subsection shall be in addition to the revocation of the offender's license. If the offender is a corporation, joint stock company, association or fiduciary, the principal officer or officers responsible for the violation may be imprisoned.

(2) Any person who violates KRS 244.020 shall be fined not less than ten dollars ($10) nor more than one hundred dollars ($100) or imprisoned not less than five (5) nor more than thirty (30) days, or both.

(3) Any person who violates KRS 244.170 shall, upon the first conviction, be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) and may in addition be imprisoned in the county jail for not more than six (6) months. Upon a second conviction he shall be imprisoned in the penitentiary for not less than one (1) year, nor more than five (5) years. Upon the third and each subsequent conviction, he shall be imprisoned in the penitentiary for not less than five (5) nor more than ten (10) years. Upon the second or any subsequent conviction of a corporation for a violation of KRS 244.170, it shall be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000).

(4) Any person who violates any of the provisions of KRS 244.480 to 244.600 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500).

(5) Any person, firm or corporation violating any provision of KRS 244.083 and 244.085 shall be fined not less than ten dollars ($10.00) nor more than one hundred dollars ($100) and each violation shall constitute a separate offense.

(6) Any person who violates the provisions of subsection (5) of KRS 244.085 shall, for the first offense, be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) and for each subsequent offense shall be fined not less than two hundred dollars ($200) nor more than two thousand dollars ($2,000).

Section 16. KRS 244.990, 1980 Acts Ch. 254, Sec. 10, effective July 1, 1982 is amended to read as follows:

(1) Any person who, by himself or acting through another, directly or indirectly, violates any of the provisions of this chapter for which no other penalty is provided, except *KRS 244.440 and 244.450* [~~KRS 244.380 to 244.470,~~] shall, for the first offense, be fined not less than one hundred (100) nor more than two hundred dollars ($200) or imprisoned in the county jail or workhouse for not more than six (6) months, or both; and for the second and each subsequent violation, he shall be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500) or imprisoned in the county jail or workhouse for not more than six (6) months, or both. The penalties provided for in this subsection shall be in addition to the revocation of the offender's license. If the offender is a corporation, joint stock company, association or fiduciary, the principal officer or officers responsible for the violation may be imprisoned.

(2) Any person who violates KRS 244.020(1) shall be fined not less than ten (10) nor more than one hundred dollars ($100) or imprisoned not less than five (5) nor more than thirty (30) days, or both.

(3) Any person who violates KRS 244.170 shall, upon the first conviction, be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) and may in addition be imprisoned in the county jail for not more than six (6) months. Upon a second conviction he shall be imprisoned in the penitentiary for not less than one (1) year, nor more than five (5) years. Upon the third and each subsequent conviction, he shall be imprisoned in the penitentiary for not less than five (5) nor more than ten (10) years. Upon the second or any subsequent conviction of a corporation for a violation of KRS 244.170, it shall be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000).

(4) Any person who violates any of the provisions of KRS 244.480 to 244.600 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500).

(5) Any person, firm or corporation violating any provision of KRS 244.083 and 244.085 shall be fined not less than ten dollars ($10.00) nor more than a hundred dollars ($100) and each violation shall constitute a separate offense.

(6) Any person who violates the provisions of subsection (5) of KRS 244.085 shall, for the first offense, be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) and for each subsequent offense shall be fined not less than two hundred dollars ($200) nor more than two thousand dollars ($2,000).

Section 17. KRS 506.120 is amended to read as follows:

(1) No person, with the purpose to establish or maintain a criminal syndicate or to facilitate any of its activities, shall do any of the following:

(a) Organize or participate in organizing a criminal syndicate or any of its activities;

(b) Provide material aid to a criminal syndicate or any of its activities, whether such aid is in the form of money or other property, or credit;

(c) Manage, supervise, or direct any of the activities of a criminal syndicate, at any level of responsibility;

(d) Knowingly furnish legal, accounting, or other managerial services to a criminal syndicate;

(e) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of, any offense of a type in which a criminal syndicate engages on a continuing basis;

(f) Commit, or conspire or attempt to commit or act as an accomplice in the commission of, any offense of violence;

(g) Commit, or conspire or attempt to commit, or act as an accomplice in the commission of bribery in violation of KRS Chapters 518 or 521, or KRS 119.205, 121.025, 121.055, 524.070, 156.465, 45A.340, 63.090, 6.080, 18.320[~~, 244.390~~] or 244.600.

(2) Whoever violates this section is guilty of engaging in organized crime, which shall be a class B felony.

(3) As used in this section "criminal syndicate" means five (5) or more persons collaborating to promote or engage in any of the following on a continuing basis:

a. Extortion or coercion in violation of KRS 514.080, 276.280, 276.310, or 521.020;

b. Engaging in, promoting, or permitting prostitution in violation of KRS Chapter 529;

c. Any theft offense as defined in KRS Chapter 514;

d. Any gambling offense as defined in KRS 411.090, KRS Chapter 528, or section 226 of the Constitution;

e. Illegal trafficking in controlled substances as prohibited by KRS Chapter 218A, in intoxicating or spirituous liquor as defined in KRS Chapters 242 or 244, or in destructive devices or booby traps as defined in KRS Chapter 237;

f. Lending at usurious interest, and enforcing repayment by illegal means in violation of KRS Chapter 360.

Section 18. The following KRS sections are repealed:

243.710 Wholesaler's tax on distilled spirits.

244.380	Provisions contracts of sale to contain (fair trade contracts).
244.390	Minimum resale prices.
244.400	Contracts of producers and processors — Filing — Contents.
244.410	Contracts of wholesalers — Filing — Contents.
244.420	Nonresident producers and importers to sell under fair trade contract.
244.430	Amendments to fair trade contracts may be filed.
244.460	Close-out sales — Requirements of.
244.470	Violators guilty of unfair competition.

Senate Amendments No. 2, No. 4, and No. 5 are as follows:

Amend printed copy of Second Committee Substitute to **HB 571** as follows: beginning on page 13, line 17 through page 23, line 9, by deleting sections 13, 14, 15, 16, 17 and 18 in their entirety.

by deleting the number, "139", and substituting in lieu thereof the number: 243;

page 4, line 2, by inserting at the end of the line the following: *a person required to be or who is*;

and on line 5, by inserting at the end of the line the following: *is a person required to be or who*;

and on line 8, by deleting the language following the words, "Section 4" and substituting in lieu thereof the following:

A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

and on line 10, by deleting all of subsection (1);

and on line 16, by deleting the number, "(2)";

and on line 23, by deleting the letter "*r*" from the word "*wholesaler*";

and on line 25, by inserting after the "." the following: *Wholesalers of distilled spirits and wine and distributors of malt beverages shall pay and report the tax levied by this section on or before the 20th day of the calendar month next succeeding the month in which possession or title of the distilled spirits, wine or malt beverages is transferred from the wholesaler or distributor to retailers or consumers in this state, in accordance with rules and regulations of the department of revenue designed reasonably to protect the revenues of the Commonwealth.*;

page 6, line 13, by deleting the underlined language;

and on lines 23-24, by deleting the underlined language except for the word, "*twentieth*";

page 7, lines 8-9, by deleting the underlined language;

and on lines 20-21, by deleting the words, "*subsection (2) of*";

page 9, line 20, by deleting the words, "*subsection (2) of*";

page 10, line 8, by deleting the words, "*subsection (2) of*";

and on line 13, by deleting the words, "*subsection (2)*";

and on line 14, by deleting the word, "*of*";

page 11, line 7, by deleting the words, "*subsection (2) of*".

by deleting the words "*ten percent*" and substituting in lieu thereof the words "*nine percent*";

and on line 20, by deleting "*(10%)*" and substituting in lieu thereof "*(9%)*";

and on line 21, by deleting "*eight percent (8%)*" and substituting in lieu thereof "*nine percent (9%)*";

and on page 10, line 20, by deleting "*ten percent (10%)*" and substituting in lieu thereof "*nine percent (9%)*";

and on line 22, by deleting "*eight percent (8%)*" and substituting in lieu thereof "*nine percent (9%)*".

Representative LeMaster moved that the House refuse to concur in Second Committee Substitute to **HB 571.** Agreed.

Representative LeMaster moved that the House refuse to concur in Senate Amendment No. 2 to **HB 571.** Agreed.

Representative LeMaster moved that the House refuse to concur in Senate Amendment No. 4 to **HB 571.** Agreed.

Representative LeMaster moved that the House refuse to concur in Senate Amendment No. 5 to **HB 571.** Agreed.

HB 1, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 1** is as follows:

Amend printed copy of **HB 1** as follows: on page 4, line 18, by deleting "*only*"

and on page 4, line 33, by adding the following: "*A child fourteen (14) years of age or older may, with the concurrence of the treating or admitting physician, admit himself or herself to a hospital for evaluation, diagnosis and treatment provided, however, that the child's parents or legal guardian are notified immediately of the admission and of their right to seek discharge. A child admitted to the hospital, pursuant to this section, who is a ward of the state may designate a friend or relative over the age of majority to receive notification of the child's hospitalization in lieu of a parent.*"

and on page 5, line 4, by deleting "*or*" and inserting in lieu thereof "," and by deleting "*who signed the application for his admission, he*" and inserting in lieu thereof "*or designated substitute parent as provided in subsection (1) of this section, the patient*"

and on page 5, line 7, after "*(4)*" by deleting all material on lines 7 through 14 and inserting in lieu thereof the following: "*anytime during the period of hospitalization either the child and/or his parent or legal guardian may seek an independent medical review of the appropriateness of decision made either to discharge, or to continue hospitalization, of a child hospitalized under this section.*"

Representative Bendl moved that the House concur in Senate Amendment No. 1 to **HB 1.** Agreed.

Representative Bendl moved that **HB 1,** as amended by the Senate, be passed.

On the roll call the vote was yeas 79-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dunn, Ellington, Endicott, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn. Nays 0.

HB 1, as amended by the Senate, was passed and the title agreed to.

Representative Bendl moved that the vote by which **HB 1,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the privilege of the floor be granted to the State High School Basketball Champions. Agreed.

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Robinson moved the adoption of **HR 118.**

HR 118, A RESOLUTION adjourning the House of Representatives in honor of the Laurel County High School Boys Basketball team for winning the 1981-82 State Tournament.

WHEREAS, excitement was mounting toward a frenzied climax in a small community nestled in the Appalachian foothills on Saturday, March 27, 1982; and

WHEREAS, the excitement was running like a current of electricity through every living being in the London area—dancing like a gossamer and yet poised to unleash tremendous energy; and

WHEREAS, this charged atmosphere was focused on Rupp Arena in Lexington, Kentucky where the Laurel County High School Cardinals Boys Basketball team was readying for battle against the North Hardin Boys Basketball team in the finals of the "Sweet Sixteen"; and

WHEREAS, the victor of this match-up would be crowned the 65th State Tournament Champions; and

WHEREAS, for the Laurel County Cardinals, the road to the State Tournament was paved with disciplined team play, which resulted in an impressive season record of 33 wins and only 3 losses; and

WHEREAS, the battle for the State Tournament Championship was long and hard, which made the 53-51 Laurel County triumph even "sweeter"; and

WHEREAS, the citizens of the London area proudly hail the successes of the Laurel County Girls Basketball team who have captured the State Tournament title three times; however, a State Tournament title by a Boys team has not been brought home to this region since Hazel Green's victory in 1940; and

WHEREAS, the Cardinals of Laurel County were carried to and from Lexington on a wave of undaunted support, loyalty and camaraderie from friends, relatives and the London community at large; and

WHEREAS, approximately 1,500 fans, who were ready to burst with pride, anxiously awaited the victorious return of their team at Cromer Ridge to escort the young heros the nine miles from the Rockcastle River to the Laurel County High School; and

WHEREAS, these superlative athletes and their coaches were welcomed home with a ceremony at which approximately 2,500 people gathered in honor of the Cardinals;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House proudly honors the members of the Laurel County High School Boys Basketball team: Joe Karr, Jamie Maxey, Norman Bowling, Rick Bowling, Tell Bruner, Jamie Rose, Paul Andrews, Charlie Andrews, Robbie Hatcher, Raymond Allen, Craig Fischer, Randall Jackson, Willis Thomas and Darin Hale, Todd Bearup, and the Head Coach of Laurel County, Chuck Broughton and Assistant Coach Larry Bruner upon the occasion of winning the 1981-82 Boys Basketball State Tournament title.

Section 2. That this prestigious body commends these fine young men for their exemplary sportsmanship and hails the gentlemen of the Laurel County High School Boys Basketball team, Coach Chuck Broughton and Assistant Coach Larry Bruner as outstanding citizens and representatives of the Commonwealth.

Section 3. That the House extends its heartiest congratulations to Laurel County, the 1981-82 State Tournament Champions and that when the House adjourns, Tuesday March 30, 1982, it does so in honor of the Laurel County Cardinals.

Section 4. That the Clerk of the House is directed to transmit a copy of this resolution to Coach Broughton, Coach Bruner and every member of the Laurel County team.

HR 118 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to allow a call of the roll to show co-sponsors of **HR 118.** Agreed.

The following members have requested to be listed as co-sponsors of **HR 118:** Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Worthington.

Recess

Representative LeMaster moved that the House recess until 1:30 p.m.

At the appointed hour, the Speaker Pro Tempore assumed the Chair and called the House to order.

Senate Message

SB 74, SB 144, SB 316, SB 340, SB 348, returned with message that Senate refused to concur in House Amendments; **SB 279** returned with message that Senate refused to concur in Committee Substitute and Committee Amendments 3 and 4; **SB 97** returned with message that Senate has concurred in Committee Amendment 1 but refused to concur in Floor Amendments 1, 3, and 4; **SB 173** returned with message that Senate has concurred in Committee Amendment 1, Floor Amendment 2 but refused to concur in Floor Amendment 1; **SB 264** returned with message that Senate has concurred in Floor Title Amendment but refused to concur in Flood Amendment 1; **SB 252** returned with message that Senate has concurred in Floor Amendment No. 4 but refused to concur in Floor Amendment No. 1 and No. 5.

HB 308 returned with the following message: The Senate has refused to recede from its Amendment to **HB 308** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

HB 77 returned with the following message: The Senate has refused to recede from its Amendment No. 1 to **HB 77** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

HB 26 returned with the following message: The Senate has refused to recede from its Amendment No. 1 to **HB 26** and is respectfully returning same to this honorable body asking for a Conference Committee to be appointed.

HB 429 returned with the following message: The Senate has refused to recede from its Amendment No. 3 to **HB 429** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 34, HB 411, HB 421, HB 438, HB 456, HB 617, HB 674, HB 770,** and **HB 788** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker Pro Tem. Ordered delivered to the Senate. (Time - 2:08 p.m.)

HB 34, HB 411, HB 421, HB 438, HB 456, HB 617, HB 674, HB 770, and **HB 788** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

HB 648, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 4 to **HB 648** are as follows:

Amend printed copy of **HB 648** as follows: page 10, line 17, by inserting after the word "*fund*" the following: "*one-fourth (¼) of*"

and between lines 20 and 21, by inserting the following:

"*(3) The commission shall determine the actual cost to the commission of implementing and administering the provisions of this Act for each block grant under review. The commission shall notify each state administering agency in writing of the actual cost determined.*

(4) The commission shall, for the purpose of implementing and administering the provisions of this Act for each block grant under review and as permitted by federal law, expend no more than one-fourth (¼) of one percent (1%) of the federal funds made available under each block grant.

(5) The commission shall return to the applicable state administering agency any unexpended federal monies placed in the block grant legislative oversight fund under this section."

page 2, line 25, by inserting after the word "*agency*" the following: "*or no less than ninety (90) days before the state administering agency elects to submit the block grant application to the federal administering agency*"

and on page 11, line 8, by adding the following new sections:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

(1) No later than thirty (30) days prior to the state administering agency submission of each block grant application to the federal administering agency, the designated legislative body shall advise the commission in writing of its review and consideration of each block grant application as provided under Section 5 of this Act.

(2) The commission shall within ten (10) days review the report of the designated legislative body and make written comment to the state administering agency regarding the proposed use and distribution of funds to be provided under each block grant application.

Section 12. Because it is necessary give state administering agencies ninety (90) days lead time prior to the beginning of the federal fiscal year, an emergency is declared to exist and Sections 1, 2, 3(1), 4, 5, 8, 9, 10, and 11 of this Act shall become effective on July 1, 1982, upon its passage and approval by the governor.

Section 13. Sections 3(2), 6, and 7 of this Act shall become effective on July 1, 1983."

Representative LeMaster moved that the House concur in Senate Amendment No. 1 to **HB 648.** Agreed.

Representative LeMaster moved that the House concur in Senate Amendment No. 4 to **HB 648.** Agreed.

Representative LeMaster moved that **HB 648,** as amended by the Senate, be passed.

On the roll call the vote was yeas 74-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Mann, McBee, Moberly, Moore, Nett, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 2-McNutt, Tobin.

HB 648, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 648,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 546, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 546** is as follows:

Amend printed copy of **HB 546** as follows: on page 1, line 15, after the word "*of*" by deleting the word "*insurance*" and inserting the word "*issuance*" in lieu thereof.

on page 3, line 8, after the word "*When*" by deleting the word "*applying*" and inserting the words "*requested by the clerk*" in lieu thereof.

Representative Dunn moved the adoption of the Senate Amendment No. 1 to **HB 546.** Agreed.

Representative Dunn moved that **HB 546,** as amended by the Senate, be passed.

On the roll call the vote was yeas 84-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 0.

HB 546, as amended by the Senate, was passed and the title agreed to.

Representative Dunn moved that the vote by which **HB 546,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the rules be suspended to reconsider the vote on **HB 711.** Agreed.

Representative Thomas moved that the House concur in Senate Amendment No. 1 (previously inserted on this day) to **HB 711.** Agreed.

Representative Thomas moved that the House concur in Senate Amendment No. 2 (previously inserted on this day) to **HB 711.**

On the roll call the vote was yeas 55-Allen, Arnold, Barrows, Bennett, Blandford, Blevins, Boswell, Brinkley, Bruce, Clapp, Clark, Craddock, Crupper, Curd, Dawahare, Dunn, Endicott, Farrow, Freibert, Gray, Guenthner, Handy, Holloway, Johnson, R. Jones, T. Jones, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Petty, Priddy, Rapier, Richards, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, Williams, Yates. Nays 14-Brown, Burch, Burnette, Cline, Deskins, Ellington, Ford, Haering, Harper, Layman, Lile, Moore, Pearman, Seum.

Senate Amendment No. 2 to **HB 711** was concurred in.

Representative Thomas moved that **HB 711,** as amended by the Senate, be passed.

On the roll call the vote was yeas 57-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Clapp, Clarke, Crupper, Curd, Dawahare, Dunn, Endicott, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Handy, Holloway, T. Jones, Kenton, Kidd, Lefevers, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Morris, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Williams, Yates. Nays 23-Brown, Burch, Burnette, Caldwell, Deskins, Ellington, Farrow, Haering, Hancock, Harper, Head, Heleringer, Layman, LeMaster, Lile, Moberly, Moore, overstreet, Pearman, P. Richardson, Tobin, Todd, Van Horn.

HB 711, as amended by the Senate, was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 711,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 402, as amended by the Senate, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage.

Representative Clarke moved that the House refuse to concur in Senate Amendment No. 1 to **HB 402.** (Senate Amendment No. 1 to **HB 402** previously inserted on March 25, 1982.)

On the roll call the vote was yeas 52-Barrows, Bendl, Blandford, Blevins, Boswell, Bronger, Burch, Clark, Clarke, Cowan, Craddock, Curd, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Hancock, Handy, Head, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, List, Little, Long, McBee, Moberly, Nett, Noe, Noland, O'Brien, Overstreet, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, B. Smith, F. Smith, Stumbo, Thomason, Tobin, Todd, Turner, Williams. Nays 33-Bennett, Bruce, Caldwell, Clapp, Cyrus, Dawahare, Ellington, Endicott, Ford, Fryman, Gray, Guenthner, Haering, Harper, Heleringer, Holbrook, Layman, Lefevers, Lile, Lundergan, Maggard, McNutt, Meyer, Moore, Morris, Pearman, Perkins, Rattliff, Schmidt, Stone, Van Horn, Worthington, Yates.

The motion that the House refused to concur in Senate Amendment No. 1 to **HB 402** was adopted.

HB 639, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 2 to **HB 639** is as follows:

Amend printed copy of **HB 639** as follows: on page 1, line 13, by deleting the words "*by a licensed plumber*" and on line 14 by deleting the words "*except in the case*" and by deleting lines 15 and 16 in their entirety.

Representative R. Jones moved that the House concur in Senate Amendment No. 2 to **HB 639.** Agreed.

Representative R. Jones moved that **HB 639,** as amended by the Senate, be passed.

On the roll call the vote was yeas 58-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bruce, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Curd, Dawahare, Donnermeyer, Dunn, Foster, Haering, Handy, Harper, Hines, Holbrook, R. Jones, Kidd, Lefevers, LeMaster, List, Little, Long, Lundergan, Maggard, McBee, Meyer, Moore, Morris, Nett, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Turner, Van Horn, Williams, Worthington, Yates. Nays 23-Allen, Barrows, Cyrus, Deskins, Ellington, Endicott, Farrow, Ford, Fryman, Gray, Heleringer, T. Jones, Layman, Lile, McNutt, Moberly, Noe, Noland, Overstreet, Rattliff, Thomas, Tobin, Todd.

HB 639, as amended by the Senate, was passed and the title agreed to.

Representative R. Jones moved that the vote by which **HB 639,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 295, with Senate Committee Substitute and Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative LeMaster moved that the House refuse to concur in the following Senate Committee Substitute to **HB 295:**

HB 295, AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I
GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1982, and, including any unappropriated surplus to the General Fund as of June 30, 1982, for the fiscal year beginning July 1, 1982, and ending June 30, 1983, and, including any unappropriated surplus to the General Fund as of June 30, 1983, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the following sums, or so much thereof as maybe necessary, for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 21, 42, and 45 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I listed as follows:

A. GOVERNMENT OPERATIONS

1. GOVERNOR

1982-83	$ 1,855,800
1983-84	$ 1,993,800

Included in the above appropriation in each year of the biennium is $18,000 for the Governor's contingent expense fund to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710.

2. LIEUTENANT GOVERNOR

1982-83	$ 409,200
1983-84	$ 440,000

Included in the above appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's contingent expense fund to meet additional expenses associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710.

3. SECRETARY OF STATE

a. General Operations

1982-83	$ 801,600
1983-84	$ 860,700

b. Restoration of Land Grant Books

1982-83	$ 40,000
1983-84	$ 44,000

TOTAL - SECRETARY OF STATE

1982-83	$ 841,600
1983-84	$ 904,700

4. BOARD OF ELECTIONS

1982-83	$ 1,107,600
1983-84	$ 1,190,700

Included in the above appropriation is $745,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.105). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any expenses in excess of the above amounts shall be deemed a necessary governmental expense.

5. TREASURY

1982-83	$ 1,107,400
1983-84	$ 1,190,400

6. DEPARTMENT OF LAW

1982-83	$ 4,068,500
1983-84	$ 4,399,600

7. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 1,991,800
1983-84	$ 2,141,200

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

Any expenses incurred in the auditing of federal disaster relief funds shall be deemed a necessary governmental expense.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Effective July 1, 1983, any expense incurred by the Auditor of Public Accounts for auditing state agencies as defined by KRS 43.010 and KRS 43.050, shall be charged to the audited agency. The Auditor of Public Accounts is hereby authorized to receive and deposit these funds in a separate Agency Funds account, to be established for this purpose. The Secretary of Finance and Administration shall transfer, based upon a statement submitted by the Auditor in consultation with the audited agency head, the direct costs associated with such audits from funds appropriated and allotted to the audited agency. Such funds shall be credited to the Auditor of Public Accounts to the Agency Fund account, and a corresponding amount from the General Fund appropriation to the Auditor of Public Accounts shall be lapsed to the extent of such credit. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

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8. CAPITAL PLAZA

1982-83	$ 1,345,400
1983-84	$ 1,371,500

The above appropriation shall be used for debt service for the Capital Plaza.

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9. COUNTY COSTS	1982-83	1983-84
a. Jailers' Fees	$11,000,000	$11,000,000
b. Base Court Revenue	5,437,600	5,437,600
c. Sheriffs' Fees	1,650,000	1,700,000
d. Jury Fund	3,050,000	3,150,000
e. Witnesses	65,000	65,000
f. Special Bailiffs	20,000	20,000
g. Board of Assessment Appeals	50,000	50,000
h. Fugitives from Justice	300,000	300,000
i. Sheriffs' Expense Allowance	432,000	432,000
j. Premium on Sheriffs' Bonds	175,000	175,000
k. County Clerks - Making Tax Bills	400,000	400,000

All county costs funded by the General Fund are deemed to be necessary governmental expenses and additional funds may be allotted from the General Fund surplus by the Secretary of the Finance and Administration Cabinet.

Included in the above appropriation for Jailer's Fees is $150,000 each fiscal year for state payment of medical expenses for indigent prisoners in county jails pursuant to KRS 441.010. Notwithstanding other statutory provisions to the contrary, it is the intent of the General Assembly that payment be provided only for emergency medical services for indigents which cannot be postponed until after the period of confinement without hazard to the needy person. Such emergency medical services will include an initial examination only after which hospitalization or extensive medical care is required and certified. The General Assembly directs that the administrative body responsible for fund distribution develop regulations and procedures to enforce the intent of the law.

In the event enabling legislation for the implementation of the jails omnibus revision legislation embodied in House Bill 440 or other Act, is not enacted by the 1982 General Assembly $1,500,000 in fiscal year 1982-83 and $1,000,000 in fiscal year 1983-84 appropriated above for Jailers' Fees shall remain unallotted and shall lapse to the credit of the General Fund. In the event that the jails omnibus revision legislation is enacted by the 1982 General Assembly, the preceding stated amounts shall not be in addition to any other special appropriation which may be authorized for this purpose.

TOTAL - COUNTY COSTS

1982-83	$ 22,579,600
1983-84	$ 22,729,600

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10. FINANCE AND ADMINISTRATION CABINET

a. Office of the Secretary

1982-83	$ 1,904,300
1983-84	$ 2,297,200

Included in the above appropriation is $150,000 each fiscal year for payment to the city of Frankfort for the provision of fire and police protection and other services for state owned property in accordance with KRS 45.155. Also included in the above appropriation for fiscal year 1983-84 is $250,000 to provide for gubernatorial transition in accordance with the provisions of KRS 11.260

b. Office for Policy and Management

1982-83	$ 5,611,400
1983-84	$ 5,581,500

Included in the above appropriation is $190,300 in fiscal year 1982-83 and $203,900 in fiscal year 1983-84 for the Office of Investment and Debt Management. In the event of passage of enabling legislation by the 1982 General Assembly transferring this program to the State Treasurer, these funds shall be transferred to the Treasury Department. In the event such enabling legislation is not enacted by the 1982 General Assembly, the above funds shall remain in the Office for Policy and Management for the operation of the Office of Investment and Debt Management.

c. Department of Administration

1982-83	$ 3,482,200
1983-84	$ 3,743,600

d. Department of Facilities Management

1982-83	$ 5,909,500
1983-84	$ 6,352,600

e. Department of Personnel

1982-83	$ 3,013,800
1983-84	$ 3,239,800

Notwithstanding the provisions of KRS 18.330, a portion of the above appropriation may be used for the pro-rata cost of administering a merit system of personnel administration for the civil service of the Commonwealth for all departments, commissions, boards, or other agencies which receive support from the General Fund or Revolving Trust and Agency Funds. Said appropriations may also be used for special training programs for state employees approved by the Secretary of the Finance and Administration Cabinet.

Relative to merit hearings before the Personnel Board, the particular agency of which the complainant is or was an employee shall bear all of the administrative costs thereof whenever the Personnel Board rules in favor of the complainant, such as for example, but not limited to, the fees of court reporters, the printing or other reproduction expenses related to hearing transcripts, and other related matters. Relative to all appeals resulting from merit hearings of the Personnel Board, including appeals to the Circuit Court, Court of Appeals, or the Supreme Court, the particular agency of which the complainant in said hearing is or was an employee shall bear all of the costs thereof whenever the courts rule in favor of the complainant, chargeable to the Personnel Board, such as for example, but not limited to, legal fees and court costs and fees.

Included in the above appropriation is an amount not to exceed $25,000 in fiscal year 1982-83 for the payment of cash merit awards earned by state employees in accordance with the guidelines promulgated by the Department of Personnel for the Employee Suggestion System.

Included in the above appropriation is $100,000 in each fiscal year for an Automobile Liability Reimbursement program.

Included in the above appropriation is, at least, $230,000 in fiscal year 1982-83 and $247,000 in fiscal year 1983-84 for the operation of the Personnel Board. Any unexpended balance at the close of the 1982-83 fiscal year shall not lapse, but shall continue into the 1983-84 fiscal year. In the event of passage of enabling legislation providing for a separate appropriation to the board, these funds, personnel, necessary equipment, furnishings and supplies associated with the operation of the Personnel Board, shall be transferred to the Personnel Board.

f. Office for Program Administration

1982-83	$ 295,000
1983-84	$ 317,100

g. Local Government Economic Assistance Fund

1982-83	$ 49,250,000
1983-84	$ 71,600,000

The above appropriations are based on the official estimate of the Commissioner of Revenue of severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

h. Competitive Pay Structure Fund

1982-83	$ 7,000,000
1983-84	$ 23,000,000

Any portion of the above appropriation may be transferred to any major program area or agency of state government for the purpose of rewarding those state employes who are rated according to their employe performance evaluation review and/or to address recruitment and/or retention problems in specific job classifications. The Office for Policy and Management, at the recommendation of the Department of Personnel, shall distribute the Competitive Pay Structure Fund to all qualifying state employes.

No funds shall be used for non-merit director/commissioner positions and above. Notice of the transfers of these funds shall be reported quarterly during each fiscal year to the Legislative Research Commission.

i. Area Development Fund

1982-83	$ 3,000,000
1983-84	$ 3,000,000

Notwithstanding the provisions of KRS 45.045(2), funds expended for the Area Development Fund shall be limited to these amounts.

Any unexpended balance at the close of fiscal year 1982-83 and fiscal year 1983-84 shall not lapse but shall carry forward to the next fiscal year.

j. State Planning Fund

1982-83	$ 1,000,000
1983-84	$ 1,000,000

Any portion of the above appropriation for the State Planning Fund may be transferred to other major program areas or agencies of state government for the purpose of funding planning activities approved by the State Planning Committee. Any unexpended balance remaining at the close of the 1982-83 fiscal year shall lapse to the credit of the General Fund.

There is transferred from the General Fund appropriation for the State Planning Fund of the Finance and Administration Cabinet to the Department of Insurance $25,000 for fiscal year 1982-83 and $25,000 for the fiscal year 1983-84 for the purpose of **HB 269** as enacted by the 1982 General Assembly.

Included in the above appropriation is $130,600 each fiscal year for the Office of Equal Opportunity Contract Compliance which shall be under the jurisdiction of the Office of the Secretary of the Finance and Administration Cabinet.

k. Kentucky Center for the Arts - Debt Service

1983-84	$ 2,935,000

TOTAL - FINANCE AND ADMINISTRATION CABINET

1982-83	$ 80,466,200
1983-84	$123,066,800

11. GENERAL OBLIGATION BONDS

a. Park Bonds

1982-83	$ 558,500
1983-84	$ 553,000

b. Veterans Bonus Bonds

1982-83	$ 7,843,000
1983-84	$ 7,847,000

c. 1965 General Purpose Bonds

1982-83	$ 2,047,000
1983-84	$ 2,053,000

TOTAL - GENERAL OBLIGATION BONDS

1982-83	$ 10,448,500
1983-84	$ 10,453,000

12. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

1982-83	$ 4,371,700
1983-84	$ 4,684,100

Included in the above appropriation is $152,000 in fiscal year 1982-83 and $152,000 in fiscal year 1983-84 for the Kentucky Early Warning System (KEWS) operation.

Also included in the above appropriation is $324,800 in fiscal year 1982-83 and $336,000 in fiscal year 1983-84 for the operations of the Kentucky Center for Veterans Affairs. Included in the above appropriation is $42,000 in fiscal year 1982-83 and $44,500 in fiscal year 1983-84 for the Kentucky Military Academy.

b. Disaster and Emergency Services

1982-83	$ 1,842,200
1983-84	$ 1,973,400

Also, included in the above appropriation is $150,000 in fiscal year 1982-83 and $161,200 in fiscal year 1983-84 for emergency expenses incurred by the Division of Disaster and Emergency Services for disasters and emergencies. These funds may only be expended at the recommendation of the Adjutant General to the Governor.

Included in the above appropriation is $204,700 in fiscal year 1982-83 and $230,700 in fiscal year 1983-84 for the KEWS operations. Included in the above appropriation is $200,000 each fiscal year for the Local Rescue Aid program. Also included in the above appropriation is $39,900 in fiscal year 1982-83 and $53,800 in fiscal year 1983-84 for the Flash Flood Watch program.

Any expenditures of funds as a result of the governor's call of the Kentucky National Guard to active duty is hereby declared to be a necessary governmental expense provided, however, that an emergency situation shall have been directed to exist by the Governor.

TOTAL - DEPARTMENT OF MILITARY AFFAIRS

1982-83	$ 6,213,900
1983-84	$ 6,657,500

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13. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Kentucky Athletic Commission

1982-83	$ 56,800
1983-84	$ 60,400

b. Board of Proprietary Education

1982-83	$ 9,400
1983-84	$ 10,100

The functions and appropriations of the agency are transferred within the Finance and Administration Cabinet under the Division of Occupations and Professions.

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

1982-83	$ 66,200
1983-84	$ 70,500

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14. DEPARTMENT OF REVENUE

1982-83	$ 32,393,100
1983-84	$ 34,945,100

Included in the above appropriation is $9,565,900 in fiscal year 1982-83 and $10,283,200 in fiscal year 1983-84 for property valuation administrators; any expenses in excess of these amounts for property valuation administrators shall be deemed necessary governmental expenses. Notwithstanding other statutes to the contrary, property valuation administrators shall receive a maximum five percent (5%) salary increase each fiscal year.

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15. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83	$ 42,600
1983-84	$ 58,400

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16. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth Attorneys

1982-83	$ 6,770,100
1983-84	$ 7,277,900

b. County Attorneys

1982-83	$ 7,174,400
1983-84	$ 7,692,900

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

1982-83	$ 13,944,500
1983-84	$ 14,970,800

Notwithstanding other statutory provisions to the contrary, the above appropriation includes a maximum five percent (5%) salary increase for elected officials and staff persons each fiscal year.

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17. KENTUCKY HORSE COUNCIL

1982-83	$ 21,800
1983-84	$ 23,400

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18. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

a. Board of Claims Awards

1982-83	$ 100,000
1983-84	$ 100,000

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

1982-83....$ 200,000
1983-84....$ 200,000

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of $5,500,000 in any fiscal year.

c. Prior Year Claims

1982-83....$ 500,000
1983-84....$ 500,000

d. Unredeemed Checks Refunded

1982-83....$ 33,000
1983-84....$ 33,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

e. Blanket Employees Bonds

1982-83....$ 49,000
1983-84....$ 49,000

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

f. Frankfort Planning Commission

1982-83....$ 1,000
1983-84....$ 1,000

g. Frankfort Cemetery

1982-83....$ 2,500
1983-84....$ 2,500

h. Public Improvements

1982-83....$ 5,000
1983-84....$ 5,000

Funds are appropriated for paying assessments for public improvements against property owned by the State, and for which said assessments the State is deemed to be liable.

i. Police and Firemen - Life Insurance

1982-83....$ 50,000
1983-84....$ 50,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

j. Workers' Compensation

1982-83....$ 120,000
1983-84....$ 120,000

Fee officers in counties over 75,000 in population.

k. Master Commissioners - Employers Retirement

1982-83....$ 63,000
1983-84....$ 63,000

l. Master Commissioners - Social Security

1982-83....$ 58,000
1983-84....$ 58,000

m. Money Refunded

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General.

TOTAL - APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1982-83....$ 1,181,500
1983-84....$ 1,181,500

All items included within the Appropriations Not Otherwise Classified category shall be deemed necessary governmental expenses, and any expenditure over the above amounts is to be paid from the General Fund Surplus.

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19. SECRETARY OF THE CABINET

1982-83....$ 238,000

1983-84 $ 255,600

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20. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83 $ 3,501,700
1983-84 $ 3,690,200

Included in the above appropriation is $1,500,000 in fiscal year 1982-83 and $1,612,500 in fiscal year 1983-84 for the Joint Funding Administration. Also included in the above appropriation is $500,000 each fiscal year for grants to the Area Development Districts. No state funds, in excess of one percent (1%) of the total state funds provided to Area Development Districts in this Act, shall be expended for out-of-state travel in each fiscal year.

TOTAL - GOVERNMENT OPERATIONS

1982-83 $183,824,900
1983-84 $231,734,300

B. COMMERCE

21. DEPARTMENT OF PARKS

1982-83 $ 14,412,200
1983-84 $ 15,493,900

Included in the above appropriation is $1,456,000 in each fiscal year for debt service payments.

Also included in the above appropriation is funding to restore the Recreation Parks and Shrines to the operating schedule which was in place for calendar year 1980. Should reductions in funding become necessary due to revenue shortfall, the Recreation Parks and Shrines Program shall be reduced only proportionately equal to other Department of Parks programs.

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22. OFFICE OF THE SECRETARY

1982-83 $ 4,582,200
1983-84 $ 7,698,900

Included in the above appropriation is $3,000,000 in fiscal year 1982-83 and $6,000,000 in fiscal year 1983-84 for debt service payments on the Economic Development Bond projects.

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23. BREAKS INTERSTATE PARK COMMISSION

1982-83 $ 164,700
1983-84 $ 164,800

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

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24. DEPARTMENT OF THE ARTS

a. General Operations

1982-83 $ 1,962,000
1983-84 $ 1,962,800

Included in the above appropriation is $70,000 for fiscal year 1982-83 and $70,000 for fiscal year 1983-84 for grants to Outdoor Dramas in the Commonwealth.

Included in the above appropriation is $500,000 in each fiscal year for the Heritage Division. At least $75,000 in each fiscal year shall be expended for grants for historic preservation administered by the Heritage Division.

b. Challenge Grants

1982-83 $ 1,100,000
1983-84 $ 1,300,000

Challenge grants shall be distributed to local arts fund raising organizations in accordance with regulations promulgated by the Kentucky Arts Council up to a matching incentive of 28 percent of their total contributed income in fiscal year 1982-83 and 33 ⅓ percent in fiscal year 1983-84. Such regulations shall provide for grant funds to small as well as large communities. The Kentucky Arts Council shall develop a policy which will insure that small communities which have not heretofore participated in the program are eligible to participate and are encouraged to so participate.

TOTAL - DEPARTMENT OF THE ARTS

1982-83 $ 3,062,000

1983-84	$ 3,262,800

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25. KENTUCKY HORSE PARK

1982-83	$ 1,479,000
1983-84	$ 1,773,100

Included in the above appropriation is $1,113,300 in fiscal year 1982-83 and $1,312,500 in fiscal year 1983-84 for debt service payments.

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26. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83	$ 7,223,300
1983-84	$ 7,462,300

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27. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1983-84	$ 6,000,000

The Secretary of Finance is authorized to advance up to $1,000,000 in fiscal year 1982-83 from General Fund receipts which sum shall be restored to the General Fund by June 30, 1983, in anticipation of the $50,000,000 bond proceeds authorized in Part V of this Act.

Included in the above appropriation is $6,000,000 for fiscal year 1983-84 for debt service payments for Economic Development Bonds for the Kentucky Development Finance Authority Loan Program. The program authorized for this bond issue is consistent with the definition of "Building Project" in KRS 56.440 Section 1(4). The Kentucky Development Finance Authority shall make a concerted effort to assure that loans are disbursed to small businesses as well as large industry in small and large communities as equitably as is feasible.

TOTAL - COMMERCE

1982-83	$ 30,923,400
1983-84	$ 41,855,800

C. CORRECTIONS

28. CORRECTIONS

a. Correction's Management

1982-83	$ 3,150,900
1983-84	$ 3,188,200

The above appropriation reflects the intention of the General Assembly to reduce administrative personnel costs by at least $276,000 annually.

b. Adult Institutions

1982-83	$ 38,332,500
1983-84	$ 41,530,400

c. Community Services

1982-83	$ 7,522,900
1983-84	$ 8,490,300

Included in the above appropriation is $750,000 in fiscal year 1982-83 and $787,500 in fiscal year 1983-84 which shall be used to fund a 20% salary upgrade, based on the January 1, 1982, salary schedule, for Probation and Parole Officers. Notwithstanding provisions to the contrary, $446,500 in fiscal year 1983-84 is provided for hazardous duty retirement pay for Probation and Parole Officers.

d. Debt Service

1982-83	$ 3,100,000
1983-84	$ 3,100,000

TOTAL - CORRECTIONS

1982-83	$ 52,106,300
1983-84	$ 56,308,900

D. EDUCATION AND HUMANITIES

29. DEPARTMENT OF EDUCATION

a. General Administration

1982-83	$ 10,039,900
1983-84	$ 11,235,300

Included in the above appropriation is $836,000 in fiscal year 1982-83 and $898,700 in fiscal year 1983-84 to match federal dollars for the Adult Education program in accordance with federal regulations; $350,000 in each year of the biennium for student testing; and $4,302,700 in fiscal year 1982-83 and

$4,625,400 in fiscal year 1983-84 earmarked as state matching funds for the School Lunch Assistance program in accordance with federal regulations. Also included is $131,700 in fiscal year 1982-83 and $133,300 in fiscal year 1983-84 for debt service, and $1,580,500 in fiscal year 1982-83 and $2,226,700 in fiscal year 1983-84 for maintenance of facilities and building insurance costs. The amounts herein identified shall be expended for these purposes and no others, except as provided in this Act. Any surplus shall lapse to the General Fund.

b. Local District Health and Life Insurance

1982-83	$ 30,159,700
1983-84	$ 39,706,500

Included in the above appropriation is $481,700 in fiscal year 1982-83 and $487,500 in fiscal year 1983-84 to provide life insurance to each full-time certified and non-certified employe of local boards of education. Also included in the above appropriation is $29,552,300 in fiscal year 1982-83 and $39,088,900 in fiscal year 1983-84 to purchase medical insurance for certified and noncertified full-time employes of local boards of education pursuant to applicable statutes and regulations. If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Finance and Administration Cabinet.

c. Education for Exceptional Children

1982-83	$ 7,710,600
1983-84	$ 8,636,000

Of the above appropriation, at least $6,294,000 in fiscal year 1982-83 and $7,113,200 in fiscal year 1983-84 is included for the Kentucky School for the Blind and the Kentucky School for the Deaf.

Also included in this appropriation is $320,000 in fiscal year 1983-84 for debt service for the addition to the classroom building at the Kentucky School for the Blind.

d. School Foundation Program

1982-83	$807,813,500
1983-84	$866,637,800

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

Funds appropriated to the School Foundation Program shall be allotted to school districts in accordance with KRS 157.310 through 157.430 and 157A.090, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. If funds appropriated to the School Foundation Program are insufficient to provide the amount of money required under KRS 157.390(6), allotments to local school districts shall be reduced in accordance with KRS 157.430.

The amount to be included for the 1982-83 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$16,450	$14,600	$12,750	$10,820	$9,890
4-9 years	18,290	16,450	14,600	10,820	9,890
10 years & over	19,960	18,110	16,260	10,820	9,890

Beginning with the school year 1983-84, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	$17,590	$15,740	$13,890	$11,960	$11,030
4-9 years	19,430	17,590	15,740	11,960	11,030
10 years & over	21,100	19,250	17,400	11,960	11,030

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank for full time service during the regular school year or the allotment under KRS 157.390(2) shall be reduced by an amount equal to the amount by which the district failed to meet salary requirements, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board of Education shall certify such contention to the Department of Revenue. Said department shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Department of Revenue shall then certify its determination to the State Board of Education, and said Board shall accept such certified determination as final.

The State Board of Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1982-83 and 1983-84 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185 day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

The General Assembly acknowledges that included in the Finance Secretary's Order 82-96 is decreased funding for the School Foundation Program for school year 1981-82. One result of that appropriation reduction is that state funds are not provided for the cost of two (2) of the four (4) in-service days provided by KRS 158.070(3). The General Assembly hereby ratifies said funding reduction for school year 1981-82, but reestablishes funding for all four (4) in-service days for school years 1982-83 and 1983-84. However, included in the appropriation in fiscal year 1982-83 is $5,500,000 to reimburse school districts for the above mentioned, unfunded two (2) in-service days in the 1981-82 fiscal year. The Department of Education shall cause this reimbursement to be distributed not later than July 31, 1982, in amounts determined by the Department of Education.

Local school district personnel who are employed beyond the regular school term of 185 days shall be so employed in accordance with the provisions of KRS 157.390(2)(a) and 702 KAR 1:020, except that for purposes of calculation of salary allotments under the Foundation Program, the number of days of employment beyond 185 days shall be established in regulations promulgated by the State Board of Education upon recommendation by the Superintendent of Public Instruction, and funding for these extended employment days shall not exceed $18,761,100 in fiscal year 1982-83 and $19,820,000 in fiscal year 1983-84.

The allotment of any school district classroom units, pursuant to KRS 157.360(1) shall not exceed the number of teachers employed by that school district.

Notwithstanding the provisions of KRS 157.360(2), the allotments to school districts of basic classroom units for grades one (1) through three (3) shall be made on the basis of one for every twenty-five (25) pupils in average daily attendance. The allotments of basic classroom units for grades four (4) through twelve (12) shall be made on the basis of one for every twenty-seven (27) pupils in average daily attendance. Beginning with school year 1983-84, the allotment of basic classroom units shall be made on the previous year average daily attendance for the seven and one-fourth (7 ¼) school months selected by the superintendents of local school districts.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1982-83	1983-84
Vocational Education	2,858	2,858
Exceptional Children	4,210	4,210
Kindergarten	736	782

Provided, however, that if the budgeted units in any category of classroom units — Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration — prove to be excessive, the surplus may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board of Education and the Secretary of the Finance and Administration Cabinet.

Kindergarten units shall be allotted in fiscal year 1982-83 and fiscal year 1983-84 on the basis of one for every two classes with 25 pupils in average daily attendance in each class.

The allotments of basic classroom units shall be made on the average daily attendance (ADA) for the end of the previous school year, except as otherwise provided in this Act, in public school grades one (1) through twelve (12) after the following deductions, notwithstanding the provisions of KRS 157.360(2): (a) an average daily attendance of nine and six-tenths (9.6) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each vocational education unit allotted, and (b) an average daily attendance of seven and two-tenths (7.2) in fiscal year 1982-83 and in fiscal year 1983-84 shall be deducted for each exceptional children unit allotted.

The Superintendent of Public Instruction shall enforce the limited class size of 25 in average daily attendance of grades kindergarten through three (3) on a district-wide basis for each local school district.

Notwithstanding the provisions of KRS 157.360(7)(a), the total number of administrative and special instructional services (ASIS) units allotted under KRS 157.360(7) shall be the sum of basic units allotted and kindergarten units allotted divided by 8, plus the sum of vocational units allotted times 9.6 ADA and exceptional children units allotted times 7.2 ADA divided by 216.

In allotting ASIS units for those districts providing instruction above the eighth grade with a prior year's ADA of 650 or less, the allotment shall be the sum of the basic units and kindergarten units allotted divided by five (5) plus the sum of vocational units allotted times 9.6 ADA and exceptional children units allotted times 7.2 ADA divided by 135.

In allotting ASIS units for those districts providing instruction above the eighth grade with a prior year's ADA of 651 to 1,000, the allotment shall be the sum of basic units and kindergarten units allotted divided by six (6) plus the sum of vocational units allotted times 9.6 ADA and exceptional children units allotted times 7.2 ADA divided by 162.

In allotting ASIS units for those districts not providing instruction above the eighth grade with a prior year's ADA of 1,000 or less, the allotment shall be the sum of the basic units and kindergarten units allotted divided by seven and one-half (7.5) plus the sum of vocational units allotted times 9.6 ADA and exceptional children units allotted times 7.2 ADA divided by 202.5.

The State Board of Education shall promulgate regulations upon the recommendation of the superintendent of public instruction which shall cause ASIS units to be allocated with first priority given to funding units required for accreditation, and second priority given to adding units for classroom instruction. The third priority of funding shall be given to other needs for ASIS units in local school districts.

Allotments for ASIS classroom units pursuant to KRS 157.360(7) shall only be for those personnel who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1982-84 biennium shall be determined by multiplying the number of classroom units by: $3,750 in the 1982-83 school year and $4,130 in the 1983-84 school year.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: $1,800 in the 1982-83 school year and $1,900 in the 1983-84 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal years 1982-83 and 1983-84 shall lapse to the General Fund except where provisions to the contrary are provided in this Act. No unexpended portions of the School Foundation Program fund shall be expended at any time for the purpose of KRS 156.610 through 156.650 except as identified in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase, of the total appropriation to the Foundation Program is subject to Part VI, General Provisions, Section 8, of this Act, and the provisions of KRS 45.160.

Included in this appropriation is $69,877,500 in fiscal year 1982-83 and $77,564,000 in fiscal year 1983-84 for the costs of transporting pupils to and from school. Calculations of the allotments of pupil transportation funds to school districts shall be made in accordance with KRS 157.370 and 157A.090, except that the total of the funds allotted under KRS 157.390(5) shall not exceed $69,877,500 in fiscal year 1982-83 and $77,564,000 in fiscal year 1983-84; provided, however, that these sums may be increased by any excess funds appropriated for the School Foundation Program, but no such increases shall exceed the total transportation cost calculated in accordance with KRS 157.370 and 157A.090, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

There is included in the above appropriation for fiscal year 1982-83, $7,000,000 for the purpose of reimbursing school districts for transportation expenses incurred during fiscal year 1981-82.

In the event that the funds appropriated for pupil transportation in fiscal 1981-82 are insufficient to provide allotments to local school districts in accordance with KRS 157.370 and 157A.090, notwithstanding KRS 157.430, the allotments of funds for pupil transportation only to local school districts shall be ratably reduced without reducing other allotments under this appropriation.

Included in the School Foundation Program appropriation is $1,785,400 in fiscal year 1982-83 and $1,964,000 in fiscal year 1983-84 for Vocational Transportation.

e. Power Equalization

1982-83	$ 37,550,000
1983-84	$ 39,177,500

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.575.

f. Instructional Services

1982-83	$ 3,981,500
1983-84	$ 7,033,600

Included in the above appropriation is at least $2,131,000 in fiscal year 1982-83 and $5,087,000 in fiscal year 1983-84 for the Gifted and Talented program.

g. Finance and Administration

1982-83	$ 16,946,000
1983-84	$ 16,028,000

Included in the above appropriation is $3,231,700 for fiscal year 1982-83 and $2,654,900 for fiscal year 1983-84 for reimbursements to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. There is included in the above appropriation for fiscal year 1982-83, $800,000 for the purpose of reimbursing school districts for expenses incurred in the operation of the Out-of-District Program during fiscal year 1981-82. The provisions of KRS 158.135 notwithstanding, funds to be expended for the Out-of-District Children program shall be limited to these amounts, and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

The above appropriation also includes $282,700 in fiscal year 1982-83 and $303,900 in fiscal year 1983-84 for school district audits; and $9,459,300 in fiscal year 1982-83 and $8,573,800 in fiscal year 1983-84 for the purchase of textbooks for grades kindergarten through twelve.

Notwithstanding the provisions of KRS 156.440, the textbooks selected by the textbook commission for each subject and grade shall be used as a basal text in school districts for a period of six (6) years.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instructional materials, notwithstanding the provisions to the contrary in KRS 158.107.

Included in this appropriation is $200,000 in fiscal year 1982-83 and $410,000 in fiscal year 1983-84 for math and science scholarships. These scholarships shall be administered in accordance with regulations which shall be promulgated by the State Board of Education.

h. Vocational Education

1982-83	$ 39,453,100
1983-84	$ 42,641,500

Included in the above appropriation is at least $1,926,300 in fiscal year 1982-83 and $1,697,600 in fiscal year 1983-84 for equipment procurement and maintenance.

i. Rehabilitation Services

1982-83	$ 3,913,100
1983-84	$ 4,206,600

TOTAL - DEPARTMENT OF EDUCATION

1982-83	$ 957,567,400
1983-84	$1,035,302,800

30. KENTUCKY EDUCATIONAL TELEVISION

1982-83	$ 7,391,800
1983-84	$ 7,741,600

Included in the above appropriation is $607,800 in fiscal year 1982-83 and $608,800 in fiscal year 1983-84 for debt service.

31. HISTORICAL SOCIETY

1982-83	$ 1,352,200
1983-84	$ 1,463,000

32. LIBRARY AND ARCHIVES

1981-82	$ 125,000
1982-83	$ 6,993,300
1983-84	$ 7,974,100

The appropriation includes $900,000 in fiscal year 1982-83 and $1,450,000 in fiscal year 1983-84 for debt service payments for the new State Library and Archives Building.

The appropriation in fiscal year 1981-82 is for utilities and maintenance for the new building.

33. BUREAU FOR THE BLIND

1982-83	$ 1,014,500
1983-84	$ 1,237,600

Included in the above appropriation is $401,600 in fiscal year 1982-83 and $420,700 in fiscal year 1983-84 for Kentucky Industries for the Blind. Included in the above appropriation is $147,000 in fiscal year 1983-84 to replace federal funds for the Center for Independent Living.

34. KENTUCKY SCHOOL BUILDING AUTHORITY

1982-83	$ 6,651,900
1983-84	$ 6,976,600

Funds are appropriated for the purpose of meeting the debt service requirements on bonds and bond anticipation notes previously issued or authorized by the Authority. No funds are appropriated for new school building projects in the 1982-84 biennium. Included in the appropriation is $90,900 in fiscal year 1982-83 and $97,600 in fiscal year 1983-84 for administration.

35. TEACHERS' RETIREMENT SYSTEM

1982-83	$103,888,300
1983-84	$120,113,100

Funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.710.

The above appropriation includes $2,124,000 in General Funds in fiscal year 1983-84 to partially fund the cost of a retiree benefit cost-of-living increase which will increase benefits on July 1, 1982, and July 1, 1983, by one percent for each year a teacher has been retired not to exceed five years. The Teachers' Retirement System is hereby authorized to finance the $2,800,000 cost in fiscal year 1982-83 and $3,576,000 of the total $5,700,000 cost in fiscal year 1983-84 with excess investment earnings (above the actuary's assumed rate) from the retired member reserves.

Notwithstanding the employer contribution rates and benefit improvements effective July 1, 1982 established under the provisions of KRS 161.540(3) and 161.620(1)(b), all service performed after July 1, 1941 and before January 1, 1984 shall be valued at two percent (2%) of the final average salary. For retirements effective January 1, 1984, and thereafter, the allowance for service performed after January 1, 1984, shall be valued at two and one half percent (2.5%) of the final average salary for all members not employed by a state university or college, and two percent (2%) of the final average salary for members employed by a state university or college. Prior to January 1, 1984, each member employee shall contribute to the retirement system seven and eighty-four hundreds percent (7.84%) of annual compensation, except where KRS provisions otherwise define employee contributions of members employed by a state university or college. After January 1, 1984, each member employee not employed by a state university or college shall contribute to the retirement system nine and thirty-two hundreds percent (9.32%) of annual compensation.

The above appropriation is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.710. In the event the above appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1982-83 or fiscal year 1983-84 for the cost of administration.

36. COMMISSION ON HUMAN RIGHTS

1982-83	$ 995,400
1983-84	$ 1,061,700

37. COMMISSION ON WOMEN

1982-83	$ 123,800
1983-84	$ 132,900

TOTAL - EDUCATION AND HUMANITIES

1981-82	$ 125,000
1982-83	$ 1,085,978,600
1983-84	$ 1,182,003,400

E. ENERGY AND AGRICULTURE

38. DEPARTMENT OF ENERGY

a. Administration and Support
1982-83 ... $ 1,001,400
1983-84 ... $ 1,081,500

b. Bureau of Energy Production and Utilization
1982-83 ... $ 644,000
1983-84 ... $ 728,500

No grant from the above appropriations may be made to a private non-profit corporation without the prior approval of the Interim Joint Appropriations and Revenue Committee.

c. Bureau of Energy Research and Development
1982-83 ... $ 7,060,900
1983-84 ... $ 9,234,400

Included in the above appropriation are funds for the Kentucky Geological Survey.

d. Demonstration Trust Fund
1982-83 ... $ 3,500,000
1983-84 ... $ 4,013,800

TOTAL - DEPARTMENT OF ENERGY
1982-83 ... $ 12,206,300
1983-84 ... $ 15,058,200

39. DEPARTMENT OF AGRICULTURE
1982-83 ... $ 7,170,200
1983-84 ... $ 7,737,900

40. COUNCIL ON AGRICULTURE
1982-83 ... $ 700,000
1983-84 ... $ 650,000

41. STATE FAIR BOARD
1982-83 ... $ 4,442,200
1983-84 ... $ 6,105,700

Included in the above appropriation is $3,500,000 in fiscal year 1982-83 and $3,500,000 in fiscal year 1983-84 for debt service on the Project 26 bond issue. Also included in the above appropriation is $856,000 in fiscal year 1982-83 and $2,513,000 in fiscal year 1983-84 for the debt service on Project 21 bond issue. Additional funds required for debt service on Project 21 may be derived from the excess debt service reserve and project account surpluses in the Project 21 bond issue.

TOTAL - ENERGY AND AGRICULTURE
1982-83 ... $ 24,518,700
1983-84 ... $ 29,551,800

F. HIGHER EDUCATION

42. COUNCIL ON HIGHER EDUCATION
1982-83 ... $ 4,396,100
1983-84 ... $ 4,693,600

Included in the above appropriation is $63,000 in fiscal year 1982-83 for 15 entering optometry contract spaces and $66,000 in fiscal year 1983-84 for the continuation of the stated spaces.

43. HIGHER EDUCATION ASSISTANCE AUTHORITY
1982-83 ... $ 5,619,300
1983-84 ... $ 7,218,300

Included in the above appropriation is $2,352,000 for fiscal year 1982-83 and $3,117,100 for fiscal year 1983-84 for the State Student Incentive Grant Program. Also included is $3,267,300 for fiscal year 1982-83 and $4,101,200 for fiscal year 1983-84 for the Kentucky Tuition Grant Program.

44. KENTUCKY STATE UNIVERSITY
1982-83 ... $ 9,399,100
1983-84 ... $ 9,599,100

Included in the above appropriation is $343,000 in fiscal year 1982-83 and $341,700 in fiscal year 1983-84 for debt service.

Included in the above appropriation are non-recurring funds of $100,000 in fiscal year 1982-83 and $300,000 in fiscal year 1983-84 and shall be used only to implement enhancement programs.

Any unexpended balance at the close of fiscal year 1981-82, fiscal year 1982-83, and fiscal year 1983-84 shall not lapse but shall carry forward to the new fiscal year.

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45. EASTERN KENTUCKY UNIVERSITY

1982-83.......................................$ 32,036,600
1983-84.......................................$ 33,922,400

Included in the above appropriation is $1,945,200 in fiscal year 1982-83 and $1,945,200 in fiscal year 1983-84 for debt service.

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46. MOREHEAD STATE UNIVERSITY

1982-83.......................................$ 19,479,100
1983-84.......................................$ 20,672,700

Included in the above appropriation is $1,396,700 in fiscal year 1982-83 and $1,399,200 in fiscal year 1983-84 for debt service.

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47. MURRAY STATE UNIVERSITY

1982-83.......................................$ 24,162,000
1983-84.......................................$ 25,532,100

Included in the above appropriation is $1,629,900 in fiscal year 1982-83 and $1,632,000 in fiscal year 1983-84 for debt service.

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48. NORTHERN KENTUCKY UNIVERSITY

1982-83.......................................$ 19,369,000
1983-84.......................................$ 20,525,000

Included in the above appropriation is $3,238,200 in fiscal year 1982-83 and $3,235,600 in fiscal year 1983-84 for debt service.

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49. WESTERN KENTUCKY UNIVERSITY

1982-83.......................................$ 30,418,900
1983-84.......................................$ 32,273,800

Included in the above appropriation is $1,673,100 in fiscal year 1982-83 and $1,667,900 in fiscal year 1983-84 for debt service.

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50. UNIVERSITY OF LOUISVILLE

1982-83.......................................$ 83,504,500
1983-84.......................................$ 92,786,100

Included in the above appropriation is $8,902,200 in fiscal year 1982-83 and $10,743,700 in fiscal year 1983-84 for debt service.

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51. UNIVERSITY OF KENTUCKY

1982-83.......................................$154,877,100
1983-84.......................................$173,462,800

Included in the above appropriation is $7,382,800 in fiscal year 1982-83 and $10,061,000 in fiscal year 1983-84 for debt service. Of the stated debt service amounts, $1,288,500 in fiscal year 1982-83 and $2,721,900 in fiscal year 1983-84 are for the Community College System.

Included in the above appropriation is the appropriation for the Community College System which shall not be less than $23,967,100 in fiscal year 1982-83 and $28,543,900 in fiscal year 1983-84. Included in the appropriation to the Community College system is $80,000 in fiscal year 1982-83 and $120,000 in fiscal year 1983-84 to begin a nursing program at Hazard Community College.

TOTAL - HIGHER EDUCATION

1982-83.......................................$383,261,700
1983-84.......................................$420,685,900

G. HUMAN RESOURCES

52. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Administration

1982-83.......................................$ 30,665,700
1983-84.......................................$ 33,036,300

In the event that any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the bureau, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet. Notwithstanding KRS 45.235, any unexpended balance not used for Public Assistance Benefits remaining at the close of the 1982-83 fiscal year shall lapse.

2. Benefits

1982-83	$196,746,600
1983-84	$220,329,400

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Bureau for Social Insurance.

The Department shall develop, present to the Legislative Research Commission, and implement no later than July 1, 1982, a Medicaid cost containment plan which will:

1. Assure that total Medicaid expenditures for each year of the biennium do not exceed the Medicaid appropriation for each year of the biennium;

2. Limit total Medicaid expenditures to service providers for optional institutional care to not more than 33% for fiscal year 1982-83 and 33% for fiscal year 1983-84 of the total appropriation for Medicaid benefits, and

3. Establish utilization and cost controls for Medicaid service recipients and providers and discourage non-essential utilizations.

In developing this plan, it is the intent of the 1982 General Assembly that the Department shall consider the following priorities in the order listed:

1. Improve program management and administration, e.g., with respect to fraud detection, collection of third party payments and error rates;
2. Reduce services or payment rates within a reimbursable category;
3. Eliminate reimbursable service categories;
4. Reduce the number of eligible recipients within a group;
5. Implement co-payment on recipients; and
6. Eliminate recipient groups.

No portion of this appropriation may be used for the costs of administration. In no instance shall the unexpended balance carried forward, as provided by KRS 45.235, or any portion thereof be used, without the prior written approval of the Governor, to:

1. establish a new program,
2. expand the services of an existing program,
3. increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Department for Human Resources and the Finance and Administration Cabinet.

All medical assistance vendor statements for services rendered as a result of bona fide claims for medical care may be paid in the fiscal year in which such statements are received by the paying agency.

b. Bureau for Manpower Services

1982-83	$ 626,300
1983-84	$ 673,200

c. Bureau for Health Services

1982-83	$105,540,700
1983-84	$109,437,500

Included in the above appropriation is $3,000,000 each fiscal year of the biennium for debt service. Also, included is at least $9,393,500 in fiscal year 1982-83 and at least $10,069,400 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with various organizations to provide community mental health-mental retardation services.

Included in the above appropriation is $4,000,000 in fiscal year 1982-83 to assist the University of Kentucky and the University of Louisville teaching hospitals in meeting any deficit as may be identified by the Secretary of the Department for Human Resources. In the event any of these funds are not needed for meeting said deficits, the remaining funds may be transferred to the Bureau for Social Insurance, Medical Assistance program upon approval by the Secretary of the Department for Human Resources and the Secretary of the Finance and Administration Cabinet.

In the Local Health Grants and Administration subprogram, the Department shall distribute the allotments in a manner which shall not discriminate financially against any local health department which chooses to remain independent from a multi-county district health department.

d. Bureau for Social Services

1982-83	$ 38,358,800
1983-84	$ 41,847,400

Included in the above appropriations is $686,000 in fiscal year 1982-83 and $794,000 in fiscal year 1983-84 for spouse abuse shelters and crisis centers; also included is $40,000 in fiscal year 1982-83 and $45,000 in fiscal year 1983-84 for Parents Anonymous of Kentucky, Inc.

For fiscal year 1982-83, $200,000 of the $686,000 appropriated for spouse abuse shelters and crisis centers is designated for use by new spouse abuse shelter or crisis center applicants according to the challenge grant formula set forth below, while the remainder, $486,000, shall be divided among the seven currently existing spouse abuse programs based upon negotiation between the directors of such programs and Department staff. Any balance remaining of the funds allotted to new applicants in fiscal year 1982-83 not expended or obligated at the end of that year shall be carried forward and added to the allotment of $794,000 for fiscal year 1983-84.

Beginning in fiscal year 1982-83 for new applicants (agencies which have not received state funding support prior to July 1, 1982), and in fiscal year 1983-84 for all applicants, a challenge grant formula shall be utilized to determine allocations of spouse abuse shelter and crisis center funds. The formula shall allocate, to the extent appropriated funds permit, $1 for each dollar raised by qualifying applicants from local or federal (non-state) resources. Qualifying applicants may receive allocations up to a maximum of 50% of their proposed annual budget, such percentage to decline in each subsequent year of application by 5% to a minimum floor of 25% state funding support. A qualified applicant means any public, non-profit incorporated agency which provides, or intends to provide, shelter care, counseling and domestic violence crisis intervention services, for spouses and their children.

Nothing in the requirements established in this section for participation in the spouse abuse shelter and crisis center challenge grant program shall be interpreted to supercede the Department's normal and customary right to establish reasonable performance standards for qualifying applicants provided such standards are established as Kentucky Administrative Regulations after consultation with staff directors of all spouse abuse shelters or crisis centers which presently receive state funding support.

e. Executive Policy Support

1982-83	$ 9,934,500
1983-84	$ 10,679,600

Included in the above appropriation is $2,803,300 in fiscal year 1982-83 and $2,794,900 in fiscal year 1983-84 for debt service.

TOTAL - HUMAN RESOURCES

1982-83	$381,872,600
1983-84	$416,003,400

H. JUSTICE

53. DEPARTMENT OF JUSTICE

a. Bureau of Training

1982-83	$ 7,947,900
1983-84	$ 2,160,800

Included in the above appropriation is $5,942,200 in fiscal year 1982-83 for the Kentucky Law Enforcement Foundation Program Fund. The General Fund shall be reimbursed as agency receipts accrue to the Kentucky Law Enforcement Foundation Program Fund to the sum of $5,942,200 in fiscal year 1982-83. Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed in KRS 15.460 and KRS 15.500.

b. Bureau of State Police

1982-83	$ 57,912,100
1983-84	$ 61,890,200

It is the intention of the General Assembly that personnel dollars provided herein, and further detailed in the legislative budget workpapers, are to maintain the Operations Program at a personnel complement level at least 10% above its August 15, 1981 reported level of 925. In no instance shall the funding integrity of this complement be reduced through layoffs or other personnel actions. If personnel reductions should be necessary due to budgetary constraints, such reductions shall be accomplished first through reactivating sworn administrative personnel or secondly by reducing manpower assigned to Professional Services, Administration, Special Investigation, and Special Enforcement. The above level of appropriation reflects the transfer of Water Enforcement from Special Enforcement to the Department of Natural Resources.

Further, the above appropriation is made in recognition of fuel conservation policies practiced by the Bureau and in support of continued refinement of those practices to make more cost-efficient both vehicle and fuel purchase and use. It is the expressed intent of the General Assembly that the Bureau examine additional cost-containment measures for fuel purchase, including local bidding and use of bulk tanks at posts or through other state agencies, as feasible.

The above appropriation affirms Executive Order 80-929, Special Investigative Command. It is the direction of the General Assembly that the Bureau adhere to KRS Chapter 12 and related statutes and procedures established for all executive branch reorganizations including executive orders, appropriate documentation and legislative confirmation during the next regular session of the General Assembly.

Any extraordinary expenditures of funds as a result of the Governor's call of the Kentucky State Police to extraordinary duty is hereby declared to be a necessary government expense; provided, however, that an emergency situation shall have been declared to exist by the Governor.

c. Office of Public Advocacy

1981-82	$ 713,300
1982-83	$ 5,711,300
1983-84	$ 6,643,100

Included in the above appropriation is $5,081,000 in fiscal year 1982-83 and $5,909,500 in fiscal year 1983-84 for the implementation of a structured local defense system which eliminates the assigned counsel method of attorney procurement and provides full-time offices or contractual arrangements with one or more attorneys, professional service corporations, nonprofit organizations or an association of attorneys to provide legal services as detailed in the legislative budget workpapers.

It is the direction of the General Assembly that the Office of the Public Advocacy continue to the best of its ability, to effectuate recoupment procedures as prescribed in KRS Chapter 31.

d. Justice Administration

1982-83	$ 1,528,300
1983-84	$ 1,663,400

Included in the fiscal year 1983-84 appropriation is $52,200 to match anticipated Federal funds. Should Federal funds not become available, this stated sum shall not be transferred or otherwise expended but shall lapse to the General Fund.

Also included in the above appropriation is $725,500 in fiscal year 1982-83 and $744,700 in fiscal year 1983-84 for the expansion of the Medical Examiners' Program. It is the intention of the General Assembly to continue interim study of coroner reform, including constitutional provisions and the effective and feasible funding of coroner support programs.

TOTAL - DEPARTMENT OF JUSTICE

1981-82	$ 713,300
1982-83	$ 73,099,600
1983-84	$ 72,357,500

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

54. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 6,270,000
1983-84	$ 6,740,300

Not less than $60,000 of the appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is deemed to be a necessary government expense by written order of the Governor upon certification by the Secretary of the Finance and Administration Cabinet as to the advisability of such expenditure.

b. Bureau for Environmental Protection

1982-83	$ 6,745,400
1983-84	$ 7,251,300

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83	$ 4,486,900
1983-84	$ 5,178,400

d. General Administration and Support

1982-83	$ 3,892,700
1983-84	$ 4,181,100

Included in the above appropriation is $700,000 in fiscal year 1982-83 and $700,000 in fiscal year 1983-84 for the maintenance and operation at the Maxey Flats Nuclear Waste Disposal Site. Also included in the above appropriation is $465,300 in fiscal year 1982-83 and $552,700 in fiscal year 1983-84 for capital improvements at the Maxey Flats Nuclear Waste Disposal Site. The capital improvements appropriation shall be expended only upon prior approval of the appropriate interim committee as determined by the Legislative Research Commission.

TOTAL - DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,395,000
1983-84	$ 23,351,000

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55. ENVIRONMENTAL QUALITY COMMISSION

1982-83	$ 56,600
1983-84	$ 60,800

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56. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 156,600
1983-84	$ 168,300

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1982-83	$ 21,608,200
1983-84	$ 23,580,200

J. PUBLIC PROTECTION AND REGULATION

57. OFFICE OF THE SECRETARY

1982-83	$ 230,900
1983-84	$ 247,900

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58. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83	$ 1,115,800
1983-84	$ 1,183,300

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59. DEPARTMENT OF BANKING AND SECURITIES

1982-83	$ 2,000,700
1983-84	$ 2,150,800

Notwithstanding the provision of KRS 47.130, receipts collected by the Department shall be deposited to the credit of the General Fund.

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60. BOARD OF TAX APPEALS

1981-82	$ 7,400
1982-83	$ 166,000
1983-84	$ 172,300

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61. DEPARTMENT OF INSURANCE

1982-83	$ 1,735,300
1983-84	$ 1,833,200

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62. DEPARTMENT OF LABOR

1982-83	$ 1,364,700
1983-84	$ 1,467,100

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63. REGISTRY OF ELECTION FINANCE

1982-83	$ 252,600
1983-84	$ 252,700

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64. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 6,044,500
1983-84	$ 6,198,200

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65. PUBLIC SERVICE COMMISSION

1982-83	$ 3,129,300
1983-84	$ 3,448,300

66. KENTUCKY STATE RACING COMMISSION

1982-83	$ 367,600
1983-84	$ 392,200

67. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 438,300
1983-84	$ 469,300

68. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 5,649,900
1983-84	$ 3,660,900

Included in the above appropriation is $360,000 in fiscal year 1982-83 and $368,600 in fiscal year 1983-84 for the Fire Department Aid as prescribed by KRS 17.210 through KRS 17.270 and KRS 95A.010 through KRS 95A.050. Also included in the appropriation is $1,951,200 in fiscal year 1982-83 for the Professional Firefighters' Foundation Program Fund and $276,100 in fiscal year 1982-83 for Volunteer Fire Department Grants. In the event that enabling legislation is enacted by the 1982 General Assembly to provide otherwise funding for workmen's compensation for volunteer firefighters, $300,000 of the above appropriation in fiscal year 1983-84 shall remain unallotted and shall lapse to the credit of the general fund.

69. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1982-83	$ 732,800
1983-84	$ 787,800

TOTAL - PUBLIC PROTECTION AND REGULATION

1981-82	$ 7,400
1982-83	$ 22,228,400
1983-84	$ 22,264,000

K. TRANSPORTATION

70. DEPARTMENT OF TRANSPORTATION

a. Air Transportation

1982-83	$ 1,231,100
1983-84	$ 1,387,600

Included in the above appropriation is $74,500 in fiscal year 1982-83 and $76,500 in fiscal year 1983-84 for debt service. In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $278,900 from the Transportation Fund to support the activities of the Air Regulatory and Airport Development programs, in the manner prescribed in the legislative workpapers of the 1982 General Assembly. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds for airport development projects. In the preparation of the fiscal biennium 1984-86 budget request, the Department of Transportation shall submit to the 1984 General Assembly and the Legislative Research Commission a list of airport development projects proposed for funding during that biennium, based on the most current estimates of anticipated funds, by source.

b. Rail Transportation

1982-83	$ 68,800
1983-84	$ 76,500

c. Public Transportation

1982-83	$ 511,300
1983-84	$ 640,500

In fiscal year 1982-83, in addition to the amounts appropriated above, the Department of Transportation shall allot $129,200 from the Transportation Fund for the purpose of providing ten percent (10%) of the funds required for match toward authorized capital purchases by local transit authorities. Prior to the beginning of fiscal year 1982-83, the Department of Transportation shall develop, and submit to the Legislative Research Commission, a written criteria, based on such factors as it deems relevant, for providing state matching funds on capital purchases by local transit authorities.

d. General Administration and Support

1982-83	$ 436,500
1983-84	$ 467,700

In fiscal year 1982-83 and fiscal year 1983-84, in addition to the amounts appropriated above, the Department of Transportation shall allot $75,000 from the Transportation Fund to the Transportation Planning program for the administration of the Lebanon to Kane rail rehabilitation project in Taylor County and for preparation of the annual update of the statewide rail plan.

e. Highways

1) Bureau of Vehicle Regulation

1982-83	$ 3,768,100
1983-84	$ 4,000,500

Included in the above appropriation is $2,948,600 in fiscal year 1982-83 and $3,012,600 in fiscal year 1983-84 to complete the implementation of the Automated Vehicle Information System.

TOTAL - TRANSPORTATION

1982-83	$ 6,015,800
1983-84	$ 6,572,800

TOTAL - EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1981-82	$ 845,700
1982-83	$2,265,438,200
1983-84	$2,502,918,000

PART II
TRUST AND AGENCY FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1984, all of the fees (which include fees for board and room, athletics, and student activities) and rental, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Trust and Revolving, or an Agency Fund out of which shall be established separate Trust and Revolving or Agency Fund accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, and 45.

In the event receipts received and credited to any Trust and Revolving or Agency Fund account during fiscal year 1982-83 or fiscal year 1983-84 and any balance forwarded to the credit of any such account from the previous year, exceed, by the sum of five percent (5%), the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all trust and agency funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Trust and Revolving or Agency Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Trust and Revolving or Agency Fund for such year, out of which has been established a Trust and Revolving or Agency Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and expenditure with amounts provided in the executive budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Committee on Appropriations and Revenue, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. SECRETARY OF STATE

Notwithstanding the provisions of KRS 118.610, 271A.625, KRS 271A.630, KRS 271A.635, and KRS 56.300; all the operating receipts from all activities of the office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

2. BOARD OF ELECTIONS

1982-83	$ 88,100
1983-84	$ 53,100

3. TREASURY

1982-83	$ 165,000
1983-84	$ 165,000

4. DEPARTMENT OF LAW

1982-83	$ 1,598,400
1983-84	$ 1,543,500

5. AUDITOR OF PUBLIC ACCOUNTS

1982-83	$ 638,400
1983-84	$ 511,500

The Auditor of Public Accounts shall quarterly notify the Finance and Administration Cabinet of the status of the collection of fees charged for county audit work conducted, and the Finance and Administration Cabinet shall withhold any monies due any county government which is delinquent in payment of fees to the Auditor of Public Accounts for the term of one hundred and twenty (120) days until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is hereby authorized to increase the audit fees for conducting County Audits if additional revenues are needed to continue the operation of the office.

6. CAPITAL PLAZA

1982-83	$ 2,221,400
1983-84	$ 2,188,800

The above funds include $1,870,600 in fiscal year 1982-83 and $1,842,500 in fiscal year 1983-84 for the payment of the debt service of the Capital Plaza.

7. FINANCE AND ADMINISTRATION CABINET

a. Office of the Secretary

1982-83	$ 634,600
1983-84	$ 693,100

All funds received under any program of anti-recession or counter cyclical assistance enacted by the United States Congress are hereby appropriated to the Finance and Administration Cabinet to be used for the maintenance of basic services in and among the various agencies, cabinets, and departments of state government. Any portion of these funds may be transferred to other major program areas or agencies of state government for the purpose of continuing basic services; provided, however, that such transfers shall be used to reduce General Fund appropriations and shall not in any way increase the expenditure level authorized by the General Assembly.

b. Department of Administration

1982-83	$ 8,837,200
1983-84	$ 8,941,350

c. Department of Facilities Management

1982-83	$ 22,340,300
1983-84	$ 24,132,400

d. Department of Personnel

1982-83	$ 1,680,000
1983-84	$ 1,753,500

e. Office for Program Administration

1982-83	$ 13,500

f. Department of Information Systems

1982-83 .... $ 20,845,700
1983-84 .... $ 22,503,600

g. Kentucky Retirement Systems
1982-83 .... $ 1,016,600
1983-84 .... $ 1,097,600

h. Public Employes Deferred Compensation System
1982-83 .... $ 66,900
1983-84 .... $ 61,400

It is the intent of the General Assembly that the Executive Secretary for the Public Employes Deferred Compensation shall authorize any expenditures and/or receipts of the Public Employes Deferred Compensation System. The Secretary of Finance and Administration shall submit to the Executive Secretary of the Public Employes Deferred Compensation System a monthly report which identifies the expenditures and/or receipts of the Public Employes Deferred Compensation System.

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8. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations
1982-83 .... $ 546,000
1983-84 .... $ 521,600

b. Disaster and Emergency Services
1982-83 .... $ 30,000
1983-84 .... $ 30,000

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9. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

		1982-83	1983-84
a.	Board of Accountancy	$199,100	$210,600
b.	Board of Architects	$ 79,000	$ 82,500
c.	Board of Auctioneers	$ 81,000	$ 86,600
d.	Board of Barbers	$119,900	$120,900
e.	Board of Chiropractic Examiners	$ 42,000	$ 42,000
f.	Board of Dental Examiners	$193,500	$221,300
g.	Board of Embalmers and Funeral Directors	$ 90,700	$102,000
h.	Board of Engineers and Land Surveyors	$209,500	$223,100
i.	Board of Hairdressers and Cosmetologists	$374,300	$425,500
j.	Board of Hearing Aid Dealers	$ 9,500	$ 10,000
k.	Board of Landscape Architecture	$ 8,400	$ 8,800
l.	Board of Medical Licensure	$186,800	$206,500
m.	Board of Nurses	$619,400	$653,000
n.	Nursing Home Administrators Licensure Board	$ 42,000	$ 42,000
o.	Board of Ophthalmic Dispensers	$ 9,800	$ 10,000
p.	Board of Optometric Examiners	$ 37,100	$ 40,800
q.	Board of Pharmacy	$224,100	$232,200
r.	Board of Physical Therapy	$ 28,500	$ 28,500
s.	Board of Podiatry	$ 3,000	$ 3,000
t.	Board of Proprietary Education	$ 43,700	$ 44,400
u.	Board of Psychology	$ 21,200	$ 22,300
v.	Real Estate Commission		
	1. Examination and Licensing	$352,700	$395,400
	2. Real Estate Education Research and Recovery	$716,300	$735,600
w.	Board of Social Workers	$ 37,100	$ 38,100
x.	Board of Speech Pathologists and Audiologists	$ 8,800	$ 8,900
y.	Board of Veterinary Examiners	$ 24,500	$ 24,500
z.	Board of Watchmaking	$ 8,600	$ 8,600

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10. COUNTY FEES

	1982-83	1983-84
Jefferson County	$7,501,000	$7,943,000
Kenton County	$1,753,000	$1,857,000
Campbell County	$1,073,000	$1,138,000

	1982-83	1983-84
Fayette County	$4,738,000	$5,032,000
Daviess County	$1,165,000	$1,233,000
Pike County	$1,097,000	$1,168,000

County fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law to be paid, by the State, to these officials when their claims for fees have been presented to the Finance and Administration Cabinet in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet, and to pay the Fiscal Court of each of said counties twenty-five percent (25%) of said fees as required by KRS 64.350.

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11. FINANCIAL DISCLOSURE REVIEW COMMISSION

1982-83 .... $ 11,700

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12. KENTUCKY HORSE COUNCIL

1982-83 .... $ 16,400
1983-84 .... $ 17,500

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13. DEPARTMENT FOR LOCAL GOVERNMENT

1982-83 .... $ 500,400
1983-84 .... $ 330,000

B. COMMERCE

14. DEPARTMENT OF PARKS

1982-83 .... $ 29,015,500
1983-84 .... $ 29,990,400

Included in the above appropriation is $1,250,000 in fiscal year 1982-83 and $925,000 in fiscal year 1983-84 for the Maintenance and Restoration Program.

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15. DEPARTMENT OF THE ARTS

1982-83 .... $ 102,000
1983-84 .... $ 144,500

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16. KENTUCKY HORSE PARK

1982-83 .... $ 2,861,500
1983-84 .... $ 3,043,000

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17. DEPARTMENT OF ECONOMIC DEVELOPMENT

1982-83 .... $ 273,300
1983-84 .... $ 189,200

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18. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1982-83 .... $ 8,711,700
1983-84 .... $ 8,870,800

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19. FISH AND WILDLIFE

1982-83 .... $ 14,907,800
1983-84 .... $ 16,439,200

Included in the above appropriation are funds to repair and maintain dams throughout the Commonwealth which are owned by the Department of Fish and Wildlife.

C. CORRECTIONS

20. CORRECTIONS CABINET

1982-83 .... $ 3,955,900
1983-84 .... $ 4,305,900

D. EDUCATION AND HUMANITIES

21. DEPARTMENT OF EDUCATION

a. General Administration and Support

1982-83 .... $ 1,849,500
1983-84 .... $ 1,866,300

b. Education for Exceptional Children
1982-83 .... $ 1,000
1983-84 .... $ 1,000

c. Vocational Education
1982-83 .... $ 16,835,400
1983-84 .... $ 17,189,500

22. KENTUCKY EDUCATIONAL TELEVISION
1982-83 .... $ 305,000
1983-84 .... $ 305,000

23. HISTORICAL SOCIETY
1982-83 .... $ 278,500
1983-84 .... $ 276,200

24. LIBRARY AND ARCHIVES
1982-83 .... $ 166,000
1983-84 .... $ 163,000

25. BUREAU FOR THE BLIND
1982-83 .... $ 1,103,000
1983-84 .... $ 1,167,200

26. KENTUCKY SCHOOL BUILDING AUTHORITY
1982-83 .... $ 179,000

27. COMMISSION ON WOMEN
1982-83 .... $ 2,400

E. ENERGY AND AGRICULTURE

28. DEPARTMENT OF ENERGY

a. General Operations
1982-83 .... $ 770,000
1983-84 .... $ 5,000

Included in the above appropriation for fiscal year 1982-83 is $556,000 for synthetic fuels development projects, $179,000 for an alternate energy trust fund, and $30,100 for an alternate transportation demonstration project.

b. Demonstration Trust Fund
1982-83 .... $ 400,000
1983-84 .... $ 100,000

29. DEPARTMENT OF AGRICULTURE
1982-83 .... $ 1,768,500
1983-84 .... $ 1,742,300

30. COUNCIL ON AGRICULTURE
1982-83 .... $ 1,000
1983-84 .... $ 1,000

31. STATE FAIR BOARD
1982-83 .... $ 12,616,300
1983-84 .... $ 12,851,800

Any receipts in excess of the above amounts shall not be transferred to the depreciation reserve maintenance fund or to the capital construction fund.

32. TOBACCO RESEARCH BOARD
1982-83 .... $ 56,600
1983-84 .... $ 58,000

F. HIGHER EDUCATION

33. COUNCIL ON HIGHER EDUCATION

a. Council Operations

1982-83	$ 15,000

34. HIGHER EDUCATION ASSISTANCE AUTHORITY

1982-83	$ 9,432,800
1983-84	$ 9,544,700

35. UNIVERSITY OF KENTUCKY

1982-83	$161,774,300
1983-84	$171,791,000

Included in the above appropriation is $400,000 in each fiscal year for debt service. These amounts in addition to $615,800 debt service contained in the fiscal year 1983-84 General Fund appropriation for the University of Kentucky are to be used for the Mining and Minerals Resources Building.

36. UNIVERSITY OF LOUISVILLE

1982-83	$ 59,012,200
1983-84	$ 62,606,200

37. EASTERN KENTUCKY UNIVERSITY

1982-83	$ 28,289,900
1983-84	$ 30,739,900

38. WESTERN KENTUCKY UNIVERSITY

1982-83	$ 20,787,200
1983-84	$ 23,172,300

39. MOREHEAD STATE UNIVERSITY

1982-83	$ 13,460,500
1983-84	$ 14,528,700

40. MURRAY STATE UNIVERSITY

1982-83	$ 16,145,000
1983-84	$ 17,454,500

41. KENTUCKY STATE UNIVERSITY

1982-83	$ 3,676,500
1983-84	$ 3,676,500

42. NORTHERN KENTUCKY UNIVERSITY

1982-83	$ 9,071,300
1983-84	$ 10,005,100

G. HUMAN RESOURCES

43. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance

1. Benefits

1982-83	$ 1,930,000
1983-84	$ 2,300,000

b. Bureau for Manpower Services

1982-83	$ 903,400
1983-84	$ 898,300

c. Bureau for Health Services

1982-83	$ 27,214,000
1983-84	$ 26,732,400

Included in the above appropriation is $2,778,200 in fiscal year 1982-83 and $2,640,200 in fiscal year 1983-84 in the Community Mental Health-Mental Retardation Services program for contracts with various organizations to provide community mental health-mental retardation services as replacement for the loss of Social Services (Title XX) Block Grant funds.

d. Bureau for Social Services

1982-83	$ 2,686,600
1983-84	$ 2,712,900

e. Executive Policy Support

1982-83	$ 6,880,000
1983-84	$ 6,979,600

H. JUSTICE

44. JUSTICE

a. Bureau of Training

1982-83	$ 20,000
1983-84	$ 8,544,000

Included in the above appropriation in fiscal year 1983-84 is $8,412,500 in receipts pursuant to KRS 136.340 for the purpose of the Kentucky Law Enforcement Foundation Program as enacted by the 1982 General Assembly.

b. Bureau of State Police

1982-83	$ 328,100
1983-84	$ 246,400

c. Office for Public Advocacy

1982-83	$ 49,000
1983-84	$ 51,000

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

45. DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources

1982-83	$ 2,189,600
1983-84	$ 2,188,000

Included in the above appropriation is $1,492,000 in fiscal year 1982-83 and $1,500,000 in fiscal year 1983-84 for the water safety enforcement program.

b. Bureau for Environmental Protection

1982-83	$ 516,328
1983-84	$ 503,900

c. Bureau for Surface Mining Reclamation and Enforcement

1982-83	$ 50,000
1983-84	$ 54,400

d. General Administration and Support

1982-83	$ 485,100
1983-84	$ 510,100

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46. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 95,600
1983-84	$ 50,700

J. PUBLIC PROTECTION AND REGULATION

47. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1982-83	$ 4,500
1983-84	$ 4,500

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48. DEPARTMENT OF INSURANCE

1982-83	$ 1,164,000
1983-84	$ 1,239,000

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49. DEPARTMENT OF LABOR

1982-83	$ 93,576,400
1983-84	$ 99,181,900

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50. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 402,000
1983-84	$ 402,000

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51. KENTUCKY STATE RACING COMMISSION

1982-83	$ 2,514,400

1983-84	$ 2,559,900

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52. KENTUCKY HARNESS RACING COMMISSION

1982-83	$ 1,328,200
1983-84	$ 1,278,200

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53. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 2,734,300
1983-84	$ 8,100,000

Included in the above appropriation in fiscal year 1983-84 is $5,586,300 in receipts pursuant to KRS 136.340 for the purpose of the Professional Firefighters Foundation Program Fund including administrative costs as enacted by the 1982 General Assembly.

K. TRANSPORTATION

54. DEPARTMENT OF TRANSPORTATION

a. Air Transportation	
1982-83	$ 10,000
1983-84	$ 12,000
b. Highways	
1982-83	$ 2,796,000
1983-84	$ 3,840,000

PART III
FEDERAL FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1983, and for the fiscal year ending June 30, 1984, Federal subventions, grants, contracts and other Federal funds received, income from investments and other miscellaneous Federal receipts received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Federal Fund out of which shall be established separate accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS chapter 12, 42, and 45.

In the event receipts received and credited to any Federal Fund account during fiscal year 1982-83 or fiscal year 1983-84, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed, by the sum of five percent, the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Executive Director of the Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all Federal funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Federal Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1983, and during the fiscal year ending June 30, 1984, all receipts placed to the credit of the Federal Fund for such year, out of which has been established a Federal Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures for the ensuing fiscal year, a comparison of any revised estimates with the amounts provided in the Executive Budget as adopted by the 1982 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Office for Policy and Management the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Appropriations and Revenue Committee, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. DEPARTMENT OF LAW
1982-83 .... $ 392,000
1983-84 .... $ 290,400

2. DEPARTMENT OF MILITARY AFFAIRS
a. General Operations
1982-83 .... $ 656,200
1983-84 .... $ 695,700
b. Disaster and Emergency Services
1982-83 .... $ 945,500
1983-84 .... $ 959,500

3. DEPARTMENT FOR LOCAL GOVERNMENT
1982-83 .... $ 1,699,800
1983-84 .... $ 1,663,700

B. COMMERCE

4. DEPARTMENT OF THE ARTS
1982-83 .... $ 937,000
1983-84 .... $ 630,000

5. DEPARTMENT OF ECONOMIC DEVELOPMENT
1982-83 .... $ 23,479,100
1983-84 .... $ 30,639,000

Included in the above appropriation in fiscal year 1982-83 is $612,800 for administration and $22,866,300 for grants for the Federal Community Development Block Grant program for small cities. Included in the above appropriation in fiscal year 1983-84 is $612,800 for administration and $30,026,200 for grants for the Federal Community Development Block Grant program for small cities.

6. FISH AND WILDLIFE
1982-83 .... $ 2,554,200
1983-84 .... $ 1,624,200

C. CORRECTIONS

7. CORRECTIONS CABINET
1982-83 .... $ 18,900

D. EDUCATION AND HUMANITIES

8. DEPARTMENT OF EDUCATION
a. General Administration and Support
1982-83 .... $128,058,800
1983-84 .... $124,575,400
b. Education for Exceptional Children
1982-83 .... $ 13,183,500
1983-84 .... $ 10,538,300
c. Instructional Services
1982-83 .... $ 396,400
1983-84 .... $ 399,300
d. Finance and Administration
1982-83 .... $ 1,410,800
1983-84 .... $ 1,277,200
e. Vocational Education
1982-83 .... $ 13,590,300
1983-84 .... $ 13,722,500
f. Rehabilitation Services
1982-83 .... $ 15,121,900
1983-84 .... $ 15,122,600

9. LIBRARY AND ARCHIVES	
1982-83	$ 1,032,500
1983-84	$ 974,200
10. BUREAU FOR THE BLIND	
1982-83	$ 1,953,100
1983-84	$ 1,819,400
11. ADVISORY COUNCIL ON VOCATIONAL EDUCATION	
1982-83	$ 125,900
1983-84	$ 112,900

E. ENERGY AND AGRICULTURE

12. DEPARTMENT OF ENERGY	
1982-83	$ 939,500
1983-84	$ 786,200
13. DEPARTMENT OF AGRICULTURE	
1982-83	$ 3,056,900
1983-84	$ 2,821,200

F. HIGHER EDUCATION

14. COUNCIL ON HIGHER EDUCATION	
a. Council Operations	
1982-83	$ 10,000
15. HIGHER EDUCATION ASSISTANCE AUTHORITY	
1982-83	$ 1,237,400
1983-84	$ 1,237,400
16. UNIVERSITY OF KENTUCKY	
1982-83	$ 36,887,900
1983-84	$ 36,887,900
17. UNIVERSITY OF LOUISVILLE	
1982-83	$ 10,477,100
1983-84	$ 11,105,800
18. EASTERN KENTUCKY UNIVERSITY	
1982-83	$ 2,145,000
1983-84	$ 2,145,000
19. WESTERN KENTUCKY UNIVERSITY	
1982-83	$ 2,117,500
1983-84	$ 2,318,400
20. MOREHEAD STATE UNIVERSITY	
1982-83	$ 1,530,300
1983-84	$ 1,530,300
21. MURRAY STATE UNIVERSITY	
1982-83	$ 3,800
1983-84	$ 3,800
22. KENTUCKY STATE UNIVERSITY	
1982-83	$ 3,808,900
1983-84	$ 3,808,900
23. NORTHERN KENTUCKY UNIVERSITY	
1982-83	$ 591,700

1983-84	$ 591,700

G. HUMAN RESOURCES

24. DEPARTMENT FOR HUMAN RESOURCES

a. Bureau for Social Insurance	
1. Administration	
1982-83	$ 66,962,800
1983-84	$ 72,725,300
2. Benefits	
1982-83	$630,828,300
1983-84	$657,485,600
b. Bureau for Manpower Services	
1982-83	$ 51,495,100
1983-84	$ 51,007,800
c. Bureau for Health Services	
1982-83	$ 44,199,000
1983-84	$ 46,442,200

In the Local Health Grants and Administration subprogram, the Department shall distribute the allotments in a manner which shall not discriminate financially against any local health department which chooses to remain independent from a multi-county district health department.

d. Bureau for Social Services	
1982-83	$ 61,695,100
1983-84	$ 62,258,800

The percentage share of Federal funds allocated through contract with Regional Mental Health-Mental Retardation Boards for fiscal years 1982-83 and 1983-84 for provision of social services under the Social Services Block Grant plan shall be no less than a 14.1 percent share of the amount of the block grant or $5,523,600, whichever amount is less.

e. Executive Policy Support	
1982-83	$ 10,586,900
1983-84	$ 10,764,600

H. JUSTICE

25. JUSTICE

a. Office of Public Advocacy	
1982-83	$ 193,400
1983-84	$ 141,100
b. Justice Administration	
1982-83	$ 1,233,600
1983-84	$ 681,300
c. Bureau of State Police	
1982-83	$ 1,200,000
1983-84	$ 1,200,000

I. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

26. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

a. Bureau for Natural Resources	
1982-83	$ 2,427,000
1983-84	$ 2,544,600
b. Bureau for Environmental Protection	
1982-83	$ 4,708,100
1983-84	$ 3,940,100
c. Bureau for Surface Mining Reclamation and Enforcement	
1982-83	$ 11,993,700
1983-84	$ 12,276,500
d. General Administration and Support	
1982-83	$ 987,400
1983-84	$ 540,000

Any federally funded project to be located at the Maxey Flats nuclear waste burial site shall require approval of the appropriate interim committee as determined by the Legislative Research Commission prior to initiation of the project.

27. ENVIRONMENTAL QUALITY COMMISSION

1982-83	$ 5,221
1983-84	$ 2,221

28. KENTUCKY NATURE PRESERVES COMMISSION

1982-83	$ 17,500

J. PUBLIC PROTECTION AND REGULATION

29. DEPARTMENT OF LABOR

1982-83	$ 2,212,500
1983-84	$ 2,366,800

30. DEPARTMENT OF MINES AND MINERALS

1982-83	$ 750,000
1983-84	$ 750,000

31. PUBLIC SERVICE COMMISSION

1982-83	$ 158,100
1983-84	$ 166,900

32. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1982-83	$ 59,400
1983-84	$ 3,800

K. TRANSPORTATION

33. DEPARTMENT OF TRANSPORTATION

a. Air Transportation		
	1982-83	$ 2,511,600
	1983-84	$ 2,511,600
b. Rail Transportation		
	1982-83	$ 840,000
	1983-84	$ 480,000
c. Public Transportation		
	1982-83	$ 2,225,000
	1983-84	$ 2,225,000
d. Highways		
	1982-83	$200,567,700
	1983-84	$211,300,200

PART IV
TRANSPORTATION FUND

Monies in the Transportation Fund are appropriated for use by the Department of Transportation in the activities, functions, and duties performed by it as prescribed by law. The Transportation Fund shall consist of all the state revenues realized from fees, taxes, and license fees levied for state road purposes authorized by law, and any additional or other revenues, grants, or funds, including local and private grant receipts as well as any amount which may be received from Federal aid, bond funds, General Funds appropriated, or any other sources pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Transportation. Such receipts and revenues, and unappropriated surplus, together with any balance as of June 30, 1982, shall constitute the Transportation Fund for the fiscal years 1982-83 and 1983-84 respectively. An annual budget for each fiscal year shall be submitted by the Department of Transportation to the Finance and Administration Cabinet for approval by June 1, 1982, for fiscal year 1982-83 and by June 1, 1983, for fiscal year 1983-84. A copy of the annual budget submission and the approved annual budget shall be transmitted concurrently to the Legislative Research Commission. The budget shall be based upon the most current State Road Fund estimates and Surplus, estimates of contractual and noncontractual Federal aid, General Funds appropriated, and funds and fees from any other source. In fiscal year 1982-83 and fiscal year 1983-84, the Legislative Research Commission, or its designated body, may request and the Department of Transportation shall furnish, such information on the program services, resources, and expenditures relating to the annual budget for the stated fiscal years, or any revisions thereof, as may be deemed necessary.

In the event the State Road Fund estimates are revised during the biennium, the Department of Transportation shall submit its annual budget, and any revisions thereto, based upon the new estimates. These estimates are to be certified by the Commissioner of Revenue to the Secretary of the Finance and Administration Cabinet and upon the approval of the Governor, the Secretary of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission, shall make the appropriate increases or decreases to the Department of Transportation's annual budget. A copy of the revised annual budget, and accompanying certification and documentation, shall be provided to the Legislative Research Commission. If the State Road Fund estimates are increased or decreased during a fiscal year the Department of Transportation shall request from the Finance and Administration Cabinet with approval of the Governor authority to increase or decrease its annual budget in accordance with Part VI, General Provisions, Section 8 of this Act. A copy of this request and any record of approval shall be provided to the Legislative Research Commission.

Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $42,750,000 in fiscal year 1982-83 and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

There is hereby authorized in the Transportation Fund a bond fund authorization of up to $300,000,000 in the 1982-84 biennium for the construction and reconstruction of roads, along with the related costs, in the Kentucky primary road system, except that should the bonds authorized for fiscal year 1981-82 in an amount up to $150,000,000 be issued as provided in House Bill 931 of the 1980 Regular Session of the General Assembly, the bond fund authorization contained herein shall be reduced by the amount of such issue. The related debt service payments or lease rental payments to the Kentucky Turnpike Authority, as appropriate, may be expended from funds appropriated to the Transportation Fund.

The following monies are appropriated from the State Road Fund and Transportation Fund.

A. TRANSPORTATION

1. DEPARTMENT OF TRANSPORTATION

a. General Administration and Support

1982-83 .... $ 30,976,000
1983-84 .... $ 32,186,300

Included in the above Road Fund appropriation is $30,901,000 in fiscal year 1982-83 and $32,111,300 in fiscal year 1983-84. Also included in the above appropriation is $75,000 each fiscal year, appropriated from the Transportation Fund, for the purpose of the administration of the Lebanon to Kane rail rehabilitation project in Taylor County and for the preparation of the annual update of the statewide rail plan. The Department of Transportation shall transmit a copy of its annual Planning and Research program to the Legislative Research Commission.

Included in the above Road Fund appropriation is $6,693,100 in fiscal year 1982-83 and $6,750,600 in fiscal year 1983-84 for the Property and Supply Program. The Department of Transportation shall report to the Capital Construction and Equipment Oversight Committee, emergency construction, new construction or improvements to its maintenance and equipment barns, district office buildings, storage sheds, and other highway type building projects initiated in each fiscal year, above $100,000. This information shall include the cost of each project by phase.

The total current year Road Fund appropriation for General Administration and Support for fiscal year 1982-83 and fiscal year 1983-84, including transfers from surplus and inter-program transfers, shall not exceed the levels contained in this act, without the approval of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission.

b. Air Transportation

1982-83 .... $ 278,900

The above amount shall be appropriated from the Transportation Fund in fiscal year 1982-83 to support the activities of the Air Regulatory and Airport Development programs in the manner prescribed by the 1982 General Assembly and the legislative budget workpapers.

c. Public Transportation

1982-83 .... $ 129,200

The above amount shall be appropriated from the Transportation Fund in fiscal year 1982-83 for the purpose of providing ten percent (10%) of the funds required for match toward authorized capital purchases by local transit authorities.

d. Highways

1. Bureau of Highways

1982-83 .... $457,323,200
1983-84 .... $489,417,700

a) Rural Highways

i. County Road Aid. For construction, reconstruction, improvement, and maintenance of county roads and bridges the designated portion of all revenue received pursuant to KRS 138.220 and 138.565 shall be expended in accordance with KRS

177.320(2). These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360.

ii. Rural Secondary Roads. For construction, reconstruction, and maintenance of rural and secondary roads, the designated portion of all revenue received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended in accordance with KRS 177.320. These funds shall be distributed in accordance with the formula prescribed by the provisions of KRS 177.360. In addition, pursuant to the duties and responsibilities of county judge/executives associated with the administration of the local county road program, beginning January 1, 1978, the expense allowance for each county judge/executive shall be paid from the Transportation Fund. These expenses shall be paid from those appropriated funds for the rural secondary road revenue sharing program as provided in KRS 177.360 and KRS 67.

b) Municipal Aid. For the construction, reconstruction, and maintenance of urban roads, streets, and bridges, the designated amounts received pursuant to the provisions of KRS 138.220 and 138.565, shall be expended and distributed in accordance with KRS 177.365 through 177.368.

c) Included in the above appropriation is $7,500,000 in fiscal year 1982-83 and $15,000,000 in fiscal year 1983-84 for the debt service payments required for up to $150,000,000 in Economic Development Road bonds to be issued in fiscal year 1981-82.

d) Included in the above Road Fund appropriation is $105,518,700 in fiscal year 1982-83 and $107,590,700 in fiscal year 1983-84 for the maintenance of the state highway system. Prior to the beginning of each fiscal year, the Department of Transportation shall submit a copy of its annual statewide maintenance program itemized by individual maintenance activities to the Legislative Research Commission.

At the close of each fiscal year, the Department shall transmit to the Legislative Research Commission a report on the actual expenditures and work accomplishments for individual maintenance activities by district.

In the preparation of its fiscal biennium 1984-86 budget request, the Department of Transportation shall submit proposed statewide expenditures and service levels for maintenance activities as prescribed by the Legislative Research Commission.

2. Bureau of Vehicle Regulation

1982-83	$ 3,332,800
1983-84	$ 3,078,000

TOTAL - HIGHWAYS

1982-83	$460,656,000
1983-84	$492,495,700

The combined total current year appropriations for fiscal year 1982-83 and fiscal year 1983-84, including transfers from surplus and inter-program transfers, for the Research, Vehicle Regulation, Engineering Administration, Highway Planning, and District Office Operations programs shall not exceed the levels contained in this act for fiscal biennium 1982-84 without the approval of the Finance and Administration Cabinet, in consultation with the Legislative Research Commission.

TOTAL - DEPARTMENT OF TRANSPORTATION

1982-83	$492,040,100
1983-84	$524,682,000

PART V
CAPITAL CONSTRUCTION FUND

Monies in the Capital Construction fund are appropriated for the following capital projects. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1982-84 biennium.

A. GOVERNMENT OPERATIONS

	1982-83	1983-84
1. Capital Plaza		
a. Repair and Renovation of Facilities		
2. Finance and Administration		
a. Emergency Repair, Maintenance, and Replacement Fund		
Investment Income	2,250,000	2,250,000

		1982-83	1983-84
b.	Capital Construction and Equipment Purchase Contingency Fund Investment Income	500,000	500,000
c.	504 Handicapped Projects Investment Income	250,000	250,000
d.	Capital Complex Investment Income	1,500,000	1,500,000
e.	Central Control System Expansion		
f.	Direct Access Storage Device - Disk Controller Agency Fund (1981-82-$64,000)		
g.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$54,700)		
h.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$54,700)		
i.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
j.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
k.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
l.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
m.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
n.	Additional Memory Agency Fund (1981-82-$148,000)		
o.	Battery Upgrade - UPS System Agency Fund (1981-82-$110,000)		
p.	AP Processor Agency Fund (1981-82-$765,000)		
q.	Multi-Processor Communications Unit Agency Fund (1981-82-$205,000)		
r.	Power and Coolant Distribution Unit Agency Fund (1981-82-$114,000)		
s.	Console Agency Fund (1981-82-$96,000)		
t.	Direct Access Storage Device - Disk Controller Agency Fund (1981-82-$65,000)		
u.	Direct Access Storage Device - Disk Controller Agency Fund (1981-82-$65,000)		
v.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$55,000)		
w.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$55,000)		
x.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$55,000)		
y.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$55,000)		
z.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
aa.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
bb.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
cc.	Direct Access Storage Device - Disk Drive Agency Fund (1981-82-$50,000)		
dd.	Direct Access Storage Device - Disk Drive		

		1982-83	1983-84
	Agency Fund (1981-82-$50,000)		
ee.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ff.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
	gg. Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
hh.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ii.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
jj.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
kk.	Direct Access Storage Device - Disk Drive		
	Agency Fund (1981-82-$50,000)		
ll.	Computer Equipment-Interest Payments		
	Investment Income	450,000	450,000
	Investment Income (1981.-82—$1,155,000)		
mm.	Direct Access Storage Device - Disk Controller		
	Agency Fund	37,500	37,500
nn.	Direct Access Storage Device - Disk Drive		
	Agency Fund	32,500	32,500
oo.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
pp.	Direct Accress Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
qq.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
rr.	Direct Access Storage Device - Disk Controller		
	Agency Fund	50,000	50,000
ss.	Direct Access Storage Device - Disk Drive		
	Agency Fund	25,000	25,000
tt.	Direct Access Storage Device - Disk Drive		
	Agency Fund	25,000	25,000
uu.	Laser Beam Printer		
	Agency Fund	84,000	84,000
vv.	Direct Access Storage Device - Disk Controller		
	Agency Fund	50,000	50,000
ww.	Direct Access Storage Device - Disk Drive		
	Agency Fund	65,000	65,000
xx.	Direct Access Storage Device - Disk Drive		
	Agency Fund	65,000	65,000
yy.	Direct Access Storage Device - Disk Dsrive		
	Agency Fund	65,000	65,000
zz.	Direct Access Storage Device - Disk Drive		
	Agency Fund	32,500	32,500
aaa.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
bbb.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
ccc.	Direct Access Storage Device - Disk Drive		
	Agency Fund	30,000	30,000
ddd.	Additional Memory (8 megabytes) 3033 System		
	Agency Fund	190,000	190,000
eee.	Direct Access Storage Device - Disk Controller		

			1982-83	1983-84
		Agency Fund		50,000
	fff.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	ggg.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	hhh.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	iii.	Processor-Mainframe		
		Agency Fund		450,000
	jjj.	Direct Access Storage Device - Disk Controller		
		Agency Fund		50,000
	kkk.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	lll.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	mmm.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	nnn.	Direct Access Storage Device - Disk Controller		
		Agency Fund		50,000
	ooo.	Direct Access Storage Device - Disk Drive		
		Agency Fund		25,000
	ppp.	Direct Access Storage Device - Disk Drive		
		Agency Fund		25,000
	qqq.	Direct Access Storage Device - Disk Controller		
		Agency Fund		50,000
	rrr.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	sss.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	ttt.	Direct Access Storage Device - Disk Controller		
		Agency Fund		50,000
	uuu.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	vvv.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
	www.	Direct Access Storage Device - Disk Drive		
		Agency Fund		65,000
3.	Military Affairs			
	a.	Major Maintenance and Repairs		
		Investment Income	750,000	750,000
		Federal Fund	111,100	111,100
		TOTAL	861,100	861,100
	b.	Bell Jet Ranger Rotor Replacement		
		Investment Income	35,000	
	c.	Armory Addition - Bowling Green		
		Federal Fund	136,700	
	d.	United States Property and Fiscal Office Addition-Frankfort		
	e.	Organizational Maintenance Shop-Ashland		
		Federal Fund	452,500	
	f.	Sikorsky S-76 lease/rental		
		Investment Income	308,400	308,400
	g.	Sikorsky Engines (2) and Transmission Replacement		
		Investment Income	210,000	
	h.	Helicopter, twin engine (5-7 seats)		

			1982-83	1983-84
		Investment Income	975,000	
	i.	Armory, Hazard		
		Investment Income		434,400
		Federal Fund		795,400
				1,229,800
	j.	Armory, Jackson		
		Investment Income		444,300
		Federal		956,500
				1,400,800

B. COMMERCE

1.	Office of the Secretary			
	a.	Economic Development Projects		
		Bond Fund	25,000,000	50,000,000
2.	Kentucky Development Finance Authority (KDFA)			
	a.	Kentucky Development Finance Authority Loan Program		
		Bond Fund	50,000,000	
3.	Department of Parks			
	a.	Miscellaneous Major Maintenance		
		Investment Income	1,500,000	1,500,000

If economic development bonds are not available for boat ramps at Taylorsville Lake, $300,000 of the above appropriation shall be made available for the boat ramps in fiscal year 1982-83.

	b.	Ben Hawes State Park: Pavilion		
4.	Kentucky Horse Park			
	a.	Horse stalls		
		General Fund	150,000	150,000
5.	Department of Fish and Wildlife Resources			
	a.	Land Acquisition		
		Federal Fund	2,250,000	2,250,000
		Agency Fund	750,000	750,000
		TOTAL	3,000,000	3,000,000
	b.	Crawler Tractor		
		Federal Fund	48,750	
		Agency Fund	16,250	
		TOTAL	65,000	
	c.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	d.	Bulldozer		
		Federal Fund	82,500	
		Agency Fund	27,500	
		TOTAL	110,000	
	e.	Road Grader		
		Federal Fund	67,500	
		Agency Fund	22,500	
		TOTAL	90,000	
	f.	Combine		
		Federal Fund	41,250	
		Agency Fund	13,750	
		TOTAL	55,000	
	g.	Repair of Dams		
		Agency Fund		

As the amount is undeterminable and the repairs are done on an as need basis funds will be transferred as needed.

C. CORRECTIONS

1.	Luckett Correctional Institution Fifth Dorm			
	a.	Bond Fund (1981-82—$2,815,900)		

		1982-83	1983-84
2.	Luckett Correctional Institution Vocational School		
	Bond Fund (1981-82—$1,568,000)		
3.	Kentucky State Penitentiary Housing Unit and Storage Facility		
	Bond Fund (1981-82—$6,141,000)		
4.	Kentucky State Reformatory Renovate Two Dorms		
	Bond Fund (1981-82—$1,500,000)		
5.	Kentucky State Penitentiary Sewage Treatment		
	Bond Fund (1981-82—$200,000)		
6.	Kentucky State Penitentiary Locking System—Phase 1		
	Bond Fund (1981-82—$750,000)		
7.	Kentucky State Penitentiary Cellhouse Renovation		
	Bond Fund (1981-82—$1,200,000)		
8.	Kentucky State Reformatory Electrical System		
	Bond Fund (1981-82—$812,000)		
9.	Kentucky State Penitentiary Electrical Distribution System		
	Bond Fund (1981-82—$1,077,600)		
10.	Kentucky State Penitentiary Steam Loop		
	Bond Fund (1981-82—$300,000)		
11.	Kentucky State Reformatory Visiting Building		
	Bond Fund (1981-82—$267,300)		
12.	Kentucky State Penitentiary Electric Boiler Repair		
	Bond Fund (1981-82—$250,000)		
13.	Miscellaneous Projects		
	Bond Fund (1981-82—$357,200)		
14.	Kentucky State Reformatory Renovation of Two Additional Dormitories		
	Bond Fund (1981-82—$1,800,000)		
15.	Modular Housing Units		
	Bond Fund (1981-82—$1,325,000)		
16.	Kentucky State Penitentiary Phase II Locking System		
	Bond Fund (1981-82—$250,000)		
17.	Blackburn Correctional Complex Replacement of Boiler System		
	Bond Fund (1981-82—$1,790,000)		
18.	Miscellaneous Projects		
	Investment Income	500,000	500,000

D. EDUCATION AND THE HUMANITIES

1.	School for the Blind		
	a. Classroom Building - Addition		
	Bond Fund (1981-82—$2,632,500)		
2.	Rehabilitation Services		
	a. Eastern Kentucky Rehabilitation Center-Roof and structural repairs		
	Investment Income	181,000	
	Federal Fund	669,000	
	TOTAL	850,000	
3.	Vocational Education		
	a. Daviess County State Vocational-Technical School-HV/AC and Related Structural Repairs		
	Investment Income	210,000	
	b. Elizabethatown State Vocational Technical School		
	Bond Fund	3,150,000	
	c. Morehead State Vocational Technical School		

			1982-83	1983-84
		Bond Fund	5,145,000	
	d.	Ashland State Vocational Technical School		
		Bond Fund	3,150,000	
4.		Kentucky Educational Television		
	a.	Video Routing Switches		
		General Fund		150,000
	b.	Audio Control Consoles		
		General Fund		125,000
	c.	Film Island Camera		
		General Fund		200,000
	d.	Videotapes Origination Equipment		
		General Fund		250,000

E. ENERGY AND AGRICULTURE CABINET

			1982-83	1983-84
1.		Kentucky State Fair Board		
	a.	Coliseum Facade and Related Improvements		
		Bond Fund	1,000,000	
	b.	Greenhouse and Nursery		
		Agency Fund	250,000	
	c.	New Graphics		
		Agency Fund	192,200	
		Bond Fund	417,800	
		TOTAL	610,000	
	d.	Replace Lighting Fixtures in Coliseum, West Wing and Pavilion		
		Agency Fund	1,000,000	
	e.	New Ticket Control Facilities		
		Agency Fund	250,000	
	f.	Major Maintenance and Repair Kentucky Fair and Exposition Center		
		Agency Fund	500,000	500,000
	g.	Major Maintenance and Repair Commonwealth Convention Center		
		Agency Fund	150,000	150,000
	h.	Coliseum Roof Coating		
		Agency Fund	750,000	
	i.	Structural and General Repairs to Coliseum		
		Agency Fund	325,000	
	j.	Replace Stadium Roof		
		Agency Fund	350,000	
	k.	Resurface Parking Lots and Driveway		
		Agency Fund	500,000	500,000
	l.	Pave Former Speedway Area		
		Agency Fund	300,000	
	m.	Concert Staging for Freedom Hall		
		Agency Fund	100,000	
	n.	Street Sweeper		
		Agency Fund	70,000	
	o.	Land Purchase		
		Agency Fund	1,465,000	
2.		Department of Energy		
	a.	Computer 32 bit		
		General Fund	432,000	

Before the equipment is purchased it must have the approval of the Capital Construction and Equipment Purchase Oversight Subcommittee.

F. HIGHER EDUCATION

			1982-83	1983-84
1.		Council on Higher Education		
	a.	Major Maintenance Fund		
		Investment Income	1,000,000	1,500,000

			1982-83	1983-84
2.	Eastern Kentucky University			
	a.	Major Maintenance		
		Agency Fund	2,500,000	2,500,000
	b.	Donovan Building - Renovation		
		Agency Fund	524,000	
	c.	Academic Computer		
		Agency Fund	500,000	
	d.	Case Hall Renovation		
		Agency Fund	500,000	
	e.	Telephone System		
		Agency Fund	500,000	
	f.	Laboratory Mini Computer		
		Agency Fund	60,000	
	g.	Planetarium Electronic Control System		
		Agency Fund	110,000	
3.	Morehead State University			
	a.	Miscellaneous Maintenance		
		Agency Fund	450,000	450,000
	b.	Electric Cable Replacement		
		Agency Fund	357,000	
	c.	Laughlin Hall Roof Repair		
		Agency Fund	208,000	
	d.	Replacement of Steam Loop		
		Agency Fund	297,000	
	e.	Baird Music Hall Renovation		
		Agency Fund	114,950	
	f.	Interior Renovation of Button Auditorium, Phase II		
		Agency Fund	200,000	
	g.	Mays Hall Renovation		
		Agency Fund		1,280,000
	h.	Thompson Hall Renovation		
		Agency Fund		2,170,000
	i.	Telephone System		
		Agency Fund	240,000	240,000
	j.	Garbage Truck		
		Agency Fund	55,000	
	k.	Tour Bus		
		Agency Fund		150,000
	l.	Fire Truck		
		Agency Fund		175,000
		Local Fund		175,000
		TOTAL		350,000
	m.	Computer Lease/Purchase		
		Agency Fund (1981-82-$85,000)	85,000	85,000
4.	Murray State University			
	a.	Miscellaneous Campus Projects		
		Agency Fund	700,000	700,000
	b.	Waste Treatment Apparatus		
		Agency Fund	89,000	
	c.	Football Field Resurfacing		
		Agency Fund	500,000	
	d.	Wilson Hall Renovation		
		Agency Fund	2,200,000	
	e.	Former Laboratory School Renovation		
		Agency Fund	300,000	
	f.	Bulldozer		
		Agency Fund	85,000	
	g.	Front-End Loader		
		Agency Fund	52,000	

			1982-83	1983-84
	h.	Computer System		
		Agency Fund	550,000	
	i.	Animal Disease Diagnostic Laboratory (1981-82-Agency Fund-$197,400)		
5.	Northern Kentucky University			
	a.	Pedestrian Bridge		
		Agency Fund	125,000	
	b.	Engineering Study/Sewer Line Development		
		Agency Fund	50,000	
	c.	Academic Computer		
		Agency Fund	385,000	
	d.	Central Maintenance System - Student Housing		
		Agency Fund	290,000	
	e.	Central Maintenance System Emergency Phones		
		Agency Fund	95,000	
	f.	Academic Health/Education Building Bond Fund	9,332,000	
6.	Western Kentucky University			
	a.	Downing Center Roof Repair		
		Agency Fund	350,000	
	b.	Thompson Complex Roof Repair		
		Agency Fund	160,000	
	c.	Life Safety Projects		
		Agency Fund	500,000	
	d.	Major Maintenance and Repair Projects		
		Agency Fund		500,000
	e.	Gordon Wilson Hall Renovation		
		Agency Fund	207,500	
	f.	Thompson Complex—North Wing Renovation		
		Agency Fund		987,500
	g.	Alterations for Energy Conservation		
		Agency Fund		500,000
	h.	Computer Hardware		
		Agency Fund	360,000	
	i.	Video Tape Recorder		
		Agency Fund		70,000
7.	University of Louisville			
	a.	HPER/Multipurpose Building Planning		
		Agency Fund	400,000	
	b.	Speed School Renovation		
		Bond Fund	1,000,000	
	c.	"K" Building Renovation		
		Agency Fund	1,500,000	
	d.	Natural Science Building Renovation		
		Bond Fund	500,000	
	e.	Radiation Center Renovation		
		Agency Fund		500,000
	f.	Carmichael School Renovation		
		Agency Fund		300,000
	g.	Reynolds Building Renovation		
		Agency Fund		1,200,000
	h.	Brook Street Repairs and Paving		
		Agency Fund	134,000	
	i.	Ultrasound Unit		
		Agency Fund	100,000	
	j.	Radiographic Room Equipment		
		Agency Fund	231,100	
	k.	Emergency Room Equipment		

			1982-83	1983-84
		Agency Fund	100,000	
	l.	Portable X-Ray		
		Agency Fund	60,000	
	m.	Electron Microscope		
		Agency Fund	100,000	
	n.	Fourier Transform Infrared Spectrophotometer		
		Agency Fund	100,000	
	o.	Fourier Transform Nuclear Magnetic Resonance Spectrometer		
		Agency Fund	300,000	
	p.	Expansion of Energy Management System		
		Agency Fund	1,500,000	
	q.	Word Processing System (Business)		
		Agency Fund		70,000
	r.	Administrative Computer		
		Agency Fund	81,000	81,000
	s.	Academic Computer		
		Agency Fund	75,000	
	t.	Main Frame Replacement, DEC 10		
		Agency Fund		190,000
	u.	Miscellaneous Projects: Energy Conservation (1981-82-Federal Fund-$499,100, Bond Fund-$505,800)		
	v.	Business Building		
		Bond Fund		9,796,000
8.		University of Kentucky		
	a.	Poultry Research Unit		
	b.	Livestock Disease Diagnostic Center (1981-82-Agency Fund, $356,000)		
	c.	Southeast Community College Technical Building/Learning Resources Center		
	d.	Elizabethatown Community College Learning Resource Center		
		Bond Fund	2,000,000	
	e.	Funkhouser Building Phase III Renovation		
		Agency Fund	800,000	
	f.	Journalism Building Renovation		
		Agency Fund	500,000	
	g.	McVey Hall Renovation Phase I		
		Agency Fund	600,000	
		Phase II		
		Agency Fund		1,600,000
	h.	Medical Center Auditorium Renovation		
		Agency Fund		225,000
	i.	Hospital - Sixth Floor North Renovation		
		Agency Fund		400,000
	j.	Hospital Planning		
		Agency Fund	500,000	1,000,000
	k.	Hospital Elevator		
		Agency Fund	800,000	
	l.	Hospital Renovation		
		Agency Fund	600,000	600,000
	m.	Parking Structure #3 (Parking/North Hospital)		
		Agency Fund		3,400,000
	n.	MTS Model 815.03 Closed Loop Hydraulic System		
		Agency Fund	250,000	
	o.	Vacuum Chamber Sorption Pump/Ion Pump Assembly		

		1982-83	1983-84
	Agency Fund	65,000	
p.	High Resolution Mass Spectrometer		
	Agency Fund	390,000	
q.	Jeol 5-35 Scanning Electron Microscope		
	Agency Fund	92,000	
r.	Cambridge Quantinet - 900 Image Analysis System		
	Agency Fund	140,000	
s.	Hitachi H-600 Transmission Electron Microscope		
	Agency Fund	138,000	
t.	Thermo Vision System		
	Agency Fund		65,000
u.	HP Gas Chromatograph/Mass Spectrometer System		
	Agency Fund		91,000
v.	Microstructure Image Analysis System		
	Agency Fund		50,000
w.	Far-Infrared Fast Fourier Transform Spectrometer		
	Agency Fund		114,800
x.	KeV Electronic Microscope Equipment		
	Agency Fund		250,000
y.	Ultrasonic Image Analysis		
	Agency Fund		143,100
z.	X-Ray Diffractometer		
	Agency Fund		116,000
aa.	Hardware for University Hospital Management System		
	Agency Fund	250,000	
bb.	Library Automated Circulation System		
	Agency Fund	320,000	
cc.	Administrative Minicomputer (CCS)		
	Agency Fund	150,000	
dd.	Replacement Computer for IBM 370/165		
	Agency Fund	1,600,000	
ee.	Graphics Minicomputer System (Computer Engineering Research Lab)		
	Federal Fund	213,400	
	Agency Fund	148,600	
	TOTAL	362,000	
ff.	Geological Survey Minicomputer		
	Federal Fund	160,000	
	Agency Fund	20,000	
	TOTAL	180,000	
gg.	Microprogrammable Minicomputer System		
	Federal Fund	45,500	
	Agency Fund	45,500	
	TOTAL	91,000	
hh.	Clinical Lab Computer		
	Agency Fund		250,000
ii.	Upgrade Business Affairs Wang Computer		
	Agency Fund		121,000
jj.	College of Medicine Minicomputer		
	Agency Fund		300,000
kk.	Agriculture Minicomputer		
	Agency Fund		500,000
ll.	PDP or VAX Minicomputer		
	Agency Fund		150,000
mm.	Upgrading DEC PDP 11/34 Computer		

		1982-83	1983-84
	Agency Fund		130,000
nn.	Delta 2000 Computer System (Energy Management System)		
	Agency Fund		100,000
oo.	Stores Inventory System		
	Agency Fund		66,000
pp.	Word Processing Expansion		
	Agency Fund		300,000
qq.	Minicomputer (Student Records)		
	Agency Fund		200,000
rr.	Graphics Lab		
	Agency Fund		80,000
ss.	Upgrading HP 100 Computer Department of Physics		
	Agency Fund		83,000
tt.	Microcomputer		
	Agency Fund		226,200
uu.	VPR 2-B Television Tape Recorders (3)		
	Agency Fund	260,000	
vv.	Remote Television Production Package		
	Agency Fund	200,000	
ww.	Chiller Addition		
	Agency Fund	1,345,000	
xx.	Time and Attendance Recording System—Dining Management		
	Agency Fund		68,000
yy.	Food Service Access ID System		
	Agency Fund		71,000
zz.	Graphics System		
	Federal Fund		104,000
	Agency Fund		26,000
	TOTAL		130,000
aaa.	Journalism Editing/Typesetting Equipment		
	Agency Fund		200,000
bbb.	Phototypesetter/Word Processor		
	Agency Fund		60,000
ccc.	Maysville Community College - Academic/Technical Building		
	Bond Fund	1,600,000	
ddd.	Somerset Community College - Academic/Technical Building		
	Bond Fund	1,800,000	
eee.	Jefferson Community College - Southwest-Auditorium		
	Bond Fund		1,400,000
fff.	Paducah Community College-Student Center-Phase II		
	Bond Fund		1,500,000
ggg.	Mining and Minerals Resources Building		
	Bond Fund		14,000,000
hhh.	Pharmacy Building		
	Bond Fund	8,230,000	
9.	Kentucky State University		
a.	Hunter Hall Renovation		
	Agency Fund	1,100,000	
b.	Agricultural Research Facility		
	Federal Fund	4,000,000	
c.	Student Cafeteria (1981-82-$2,600,000)		

The funds for the cafeteria shall be provided from the funds budgeted for Underwood Cafeteria and Hunter Hall for 1980-82 ($2,120,700). The balance ($479,300) shall be made available from agency funds.

		1982-83	1983-84
d.	Physical Facilities Enhancement Projects		
	Agency Fund	1,000,000	1,000,000

Kentucky State University shall undertake and complete by August, 1982, a physical facilities inventory with the objective of promoting facility development that supports the redefined mission.

Any findings, as a result of the inventory that need to occur during the 1982-84 biennium which are subject to the provisions of KRS 45.750-45.800, will require both Council on Higher Education approval and reporting to the Capital Construction and Equipment Purchase Oversight Committee.

G. DEPARTMENT FOR HUMAN RESOURCES

			1982-83	1983-84
1.		Bureau for Health Services		
	a.	Eastern State Hospital - Renovation Wendell Building		
		Bond Fund (1981-82—$5,157,600)		
		Buildings #56, 57, 58		
		Bond Fund (1981-82—$5,626,000)		
	b.	Central State Hospital-Replacement Facility		
		Bond Fund (1981-82—$9,500,000)		
	c.	Hazelwood State Hospital-Ceiling Replacement		
	d.	Western State Hospital-Psychiatric Detention Center		
	e.	Western State Hospital-Boiler Replacement		
		Investment Income	300,000	
	f.	Eastern State Hospital-Roof Replacement		
		Investment Income		250,000
	g.	Central State Hospital-Fire Alarm System		
		Investment Income	125,000	100,000
	h.	Miscellaneous Projects		
		Investment Income	135,800	400,000
2.		Bureau for Social Services		
	a.	Danville Youth Development Center-Life Safety and HV/AC Upgrading		
		Investment Income	250,000	650,000
	b.	Danville Youth Development Center-Steamline Repair and Elimination		
		Investment Income	250,000	
	c.	Kentucky Children's Home - Roof Repair		
		Investment Income	189,200	
	d.	Juvenile Code Renovation Projects		
		General Fund		630,000
3.		Executive Policy Support		
	a.	Miscellaneous Projects		
		Agency Fund	1,305,300	435,000
	b.	Louisville Office Building - Repair and Refurbishment		
		Agency Fund	412,500	
	c.	Ashland Youth Development Center - Life Safety and Handicapped Access Codes		

H. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

		1982-83	1983-84
1.	Repair of State-Owned Dams		
	Investment Income	750,000	750,000

The above appropriation shall not be used to repair dams owned by the Department of Fish and Wildlife.

Those projects listed by title in this Act but for which no funds are shown are previously authorized projects for which there is sufficient funding available for completion in the absence of any additional funding in the 1982-84 biennium. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund. Those projects set forth under the sub-heading "higher education" are subject to the action and approval of the Council on Higher Education and subject to the approval of the Finance and Administration Cabinet. Furthermore, the Council on Higher Education shall develop and approve a higher education computer plan to be submitted to the Secretary of Finance and Administration Cabinet by July 1, 1982. The provisions of KRS 45.750 through 45.990 notwithstanding it is the intent of the General Assembly that capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between Regular Sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Construction and Equipment Purchase Oversight Committee receives prior notification.

Advances may be made from the Capital Construction and Equipment Purchase Contingency Fund to pay the 1982-83 and 1983-84 debt service on the City of Louisville and Jefferson County Bonds for the construction of the University of Louisville Teaching Hospital. Any advances made under this authorization shall be repaid with interest to the Fund.

Any funds remaining in projects no longer authorized on July 1, 1982, under the provisions of KRS 45.750 through 45.990 shall lapse to the Capital Construction Emergency Repair, Maintenance and Replacement Fund to be expended in accordance with the provisions of KRS 45.780. Notwithstanding the provisions of KRS 45.770, the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for projects which may be contemplated for future funding. Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance and Replacement Fund allotments, subject to the provisions of KRS 45.780.

Included in the above appropriation is an Economic Development bond authorization of $25,000,000 for fiscal year 1982-83 and $50,000,000 for fiscal year 1983-84. This funding is recommended for projects that are associated with economic development and will be identified during the 1982-84 biennium by the Secretary of the Commerce Cabinet. Examples of projects that may be included are riverports, parks, economic development, energy development and tourism. Before any economic development bonds are issued, the proposed bond issue and the proposed project shall be submitted to the Capital Construction and Equipment Purchase Oversight Subcommittee for review under the provisions of KRS 45.750-45.800.

Also included in the above appropriation is a Kentucky Development Finance Authority Loan program bond authorization of $50,000,000 for fiscal year 1982-83. These bond proceeds will be utilized to make loans for manufacturing, agribusiness, and tourism projects and will be identified during the 1982-84 biennium by the Kentucky Development Finance Authority Board of Directors.

Inasmuch as the identification of specific projects in a variety of areas of the State Government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly, the provisions of KRS 45.750 through 45.990 notwithstanding, to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development Projects, Area Development Fund, Handicapped Access, and Fire and Life Safety. Any project estimated to cost over $200,000 and equipment estimated to cost over $50,000 shall be reported to the Capital Construction and Equipment Purchase Oversight Subcommittee.

All monies transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

If at end of any fiscal year the monies and securities to the credit of the State Fire and Tornado Insurance Fund exceed $2,000,000 and if conditions with respect to life and safety in state properties are such as not to require the expenditure of all excess funds for improvements to said conditions, then the Secretary of the Finance and Administration Cabinet, with the concurrence of the Commissioner of Insurance, shall transfer up to $1,300,000 in fiscal year 1982-83 and $1,300,000 in fiscal year 1983-84 of the amount of such excess not so required and may authorize its transfer to the Capital Construction Fund, for expenditure in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes.

In the event Federal Revenue Sharing Funds, which were received in prior years, are not needed for the purpose for which they were appropriated in prior years, then these Revenue Sharing Funds may be transferred to the emergency repair and maintenance account or may be used as an alternate funding source for any capital construction project authorized by this Act, other than Agency Funds, subject to approval of the Secretary of the Finance and Administration Cabinet and subject to thirty (30) days prior notice to the Capital Construction and Equipment Purchase Oversight Committee.

PART VI
GENERAL PROVISIONS

1. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1982, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42 and 45 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet in accordance with the detailed estimates embodied in the 1982-84 Executive Budget and supporting legislative budget records and workpapers, as considered by the 1982 Regular Session and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the State and Federal Governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs.

4. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act, notwithstanding any provisions of the Kentucky Revised Statutes to the contrary, except as provided by Chapters 12, 42, 56, 152, 177 and 341 of the Kentucky Revised Statutes. All laws and portions of laws in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed.

5. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the Governor's enacted budget and is supported by appropriate work papers and other records pertaining thereto.

6. Any General Fund appropriation made herein in anticipation of a lack, loss, or reduction of Federal grants shall lapse to the General Fund to the extent such Federal funds otherwise become available.

7. To the extent that Federal monies become available to the Commonwealth under Title IV of Public Law 95-87, it is the intent of the General Assembly that these monies be appropriated to the Finance and Administration Cabinet to be used for nonrecurring projects in accordance with the intent of the Federal law.

8. Whereas, inasmuch as the finances of the Commonwealth cannot be ascertained with absolute certainty at this time, and since the actual needs of each officer, cabinet, department, board, commission, institution, agency, or other activity or subdivisions of state government can only be anticipated and not finally determined by the General Assembly, and since the total amount of revenue accruing to the General Fund and to the Transportation Fund and accruing from various fees or from Federal funds from which appropriations are made can only be anticipated as being produced through existing laws and those that may hereafter be enacted, and recognizing the complex nature of the economy, it is the purpose and intention of this Act that the expenditures for each fiscal year shall not exceed the total financial resources accruing to any Fund, as defined in KRS Chapter 45, for the same fiscal year. As the conditions cannot be fully determined until after the adjournment of the 1982 General Assembly, and as the needs of each officer, cabinet, department, board, agency, commission, institution, subdivision, or activity of state government, together with the total financial resources accruing to the General Fund and the Transportation Fund cannot be fully determined at this time, it is the intention and purpose of this General Assembly that the Secretary of the Finance and Administration Cabinet, with the advice of the Commissioner of the Department of Revenue, upon approval of the Governor of the Commonwealth, is authorized, empowered, and directed to ascertain and determine the needs of each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity of state government and to ascertain the total financial resources anticipated to be accrued to the General Fund and the Transportation Fund of the Commonwealth, and upon the ascertainment and determination of said facts, he, the Secretary of the Finance and Administration Cabinet, in the manner set forth as provided by general law, and after obtaining the approval of the Legislative Research Commission or its designated body, is authorized, empowered, and directed by the General Assembly to prevent an overdraft or deficit in any fiscal year for which appropriations are herein made, by equitably reducing, according to needs, without discrimination, the appropriations herein made from the General Fund and Transportation Fund to each officer, cabinet, department, board, commission, institution, subdivision, agency, or other activity in state government, provided, however, that the power invested shall not permit any reduction of the appropriations of any officer, cabinet, department, board, commission, institution, subdivision, agency, or

other activity of state government that will actually impair the necessary constitutional functions of such agency or activity, the operations and functions of which are determined to be necessary constitutional functions of state government.

9. The Secretary of the Finance and Administration Cabinet shall cause the Office for Policy and Management, within forty-five days upon adjournment of the 1982 General Assembly, to prepare a final budget document based upon the Executive Budget as enacted by the 1982 General Assembly as well as other acts which provide appropriations for the 1982-84 biennium and based upon supporting documentation and legislative records as considered by the 1982 General Assembly. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and such other fiscal data and commentary considered necessary by the Office for Policy and Management for budget execution and oversight. The enacted budget and any adjustments thereto approved by the Office for Policy and Management and any supporting documents shall be communicated to the Interim Joint Appropriations and Revenue Committee on a regular basis.

10. It is the intent of the General Assembly that the Secretary of the Finance and Administration Cabinet shall be empowered and directed to transfer all funds appropriated to various agencies of state government in Part I of this Act for the operation and maintenance of the Kentucky Early Warning System (KEWS) to the Finance and Administration Cabinet to administer and manage the system.

11. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund.

12. Notwithstanding KRS 143.090, it is the intent of the General Assembly that the coal severance tax receipts deposited to the credit of the Transportation Fund, for the purpose of meeting lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects, shall not exceed $42,750,000 in fiscal year 1982-83 and $42,750,000 in fiscal year 1983-84. In the event these amounts are not sufficient to meet the amount certified pursuant to KRS 143.090, the Secretary of the Department of Transportation shall use other Transportation Fund resources to meet the total amount of said certification.

13. The General Assembly recognizes that during fiscal year 1980-81 and fiscal year 1981-82, the General Fund revenues of the Commonwealth were less than the estimates upon which appropriations for those fiscal years were made by Part I, Chapter 109, of the 1980 Acts of the General Assembly. The General Assembly acknowledges that as a result of shortfalls in the revenues during the biennium for which funds were appropriated by the 1980 General Assembly the Secretary of Finance as directed by Paragraph 8, Part VI, Chapter 109, of the 1980 Acts of the General Assembly and as authorized by KRS 45.160, took action to prevent an overdraft or deficit in the finances of the Commonwealth through the reduction of appropriations made by Part I, Chapter 109, of the 1980 Acts of the General Assembly, and by various other actions, all as set forth in and provided by Orders 81-151 and 82-96 of the Secretary of Finance, which Orders are permanent records of the Commonwealth, on file in the Office for Policy and Management.

It is the intent of the General Assembly herein to ratify and confirm the appropriation levels appearing in Orders 81-151 and 82-96 of the Secretary of Finance as the General Fund appropriations for fiscal year 1980-81 and fiscal year 1981-82, respectively, for the offices, boards, commissions, institutions, subdivisions and agencies of the Government of the Commonwealth of Kentucky, except so much thereof as relates to the appropriation to the Local Government Economic Assistance Fund for fiscal year 1981-82, which sum shall be determined as provided by KRS 45.450; it is the further intent of the General Assembly herein, the provisions of any other law of the Commonwealth to the contrary notwithstanding, to ratify and confirm the advances, transfers and lapsing to the General Fund of all non-General Fund monies as identified in said Orders 81-151 and 82-96 of the Secretary of Finance, and to that end, the General Assembly hereby expressly ratifies, adopts, and enacts the appropriation levels contained in said Orders 81-151 and 82-96, including those provided for the Foundation Program as set forth and contained in KRS Chapters 157 and 157A and in Chapter 109 of the 1980 Acts of the General Assembly, as the appropriations for the offices, boards, commissions, institutions, subdivisions, and agencies of the Government of the Commonwealth for fiscal year 1980-81 and fiscal year 1981-82, and to the extent in conflict therewith the appropriation levels set forth in Part I, Chapter 109 of the 1980 Acts of the General Assembly shall be read as conforming to the levels of appropriation hereby enacted.

14. There is hereby authorized in the Transportation Fund a bond fund authorization of up to $300,000,000 in the 1982-84 biennium for the construction and reconstruction of roads, along with the related costs, in the Kentucky primary road system, except that should the bonds authorized for fiscal year 1981-82 in an amount up to $150,000,000 be issued as provided in House Bill 931 of the 1980 Regular Session of the General Assembly, the bond fund authorization contained herein shall be reduced by the amount of such issue. The related debt service payments or lease rental payments to the Kentucky Turnpike Authority, as appropriate, may be expended from funds appropriated to the Transportation Fund.

15. The Secretary of the Finance and Administration Cabinet is authorized to approve, upon the request of the Secretary of the Department for Human Resources, the transfer of up to twelve million dollars

($12,000,000) of any surplus funds from other Bureaus within the Department for Human Resources to the Bureau for Social Insurance, Medical Assistance program to help prevent a deficit in said program for fiscal year 1981-82. If, through effective management and without reducing programs or service levels, funds become available, then the Secretary may transfer such funds to other programs after obtaining the approval of the Secretary of Finance and of the Interim Joint Committee on Appropriations and Revenue. In the event this provision is held to be invalid then no such transfer can be made.

16. It is the intent of the General Assembly that each classified permanent full-time and permanent part-time employe, as defined in KRS 18.110, in the Executive Branch shall receive, at least, an annual five percent (5%) salary increment each fiscal year, in accordance with the employe's regular salary increment schedule.

17. There is appropriated from the General Fund, $10,000,000 for fiscal year 1982-83 and $35,475,000 for fiscal year 1983-84 for a Budget Reserve Trust Fund.

These funds are appropriated in the event actual General Fund receipts during the 1982-83 fiscal year or the 1983-84 fiscal year are not sufficient to meet the General Fund appropriation levels authorized in this Act. Allotments from the Budget Reserve Trust Fund may also be made to those appropriation units for which actual Federal Fund receipts are less than the Federal Fund receipts appropriated in this Act to the 1982-83 fiscal year of the 1983-84 fiscal year, due to reductions in the Federal budget. In addition, allotments from the Budget Reserve Trust Fund may also be made for expenditures deemed to be Necessary Government Expenses.

All allotments and expenditures from the Budget Reserve Trust Fund may be approved by the Governor of the Commonwealth upon the recommendation of the Secretary of the Finance and Administration Cabinet. No allotment or expenditure from the Budget Reserve Trust Fund may be made prior to the approval of such allotment or expenditure by the Interim Joint Committee on Appropriations and Revenue. Allotments or expenditures from the Budget Reserve Trust Fund may be made on an across the board basis, but other methods of allocation, based on the needs of the budget units as determined by the Governor, are also authorized by this Act. In no event, however, shall such allotment or expenditure to any budget unit result in a General Fund or Federal Fund expenditure level greater than any appropriation elsewhere in this Act.

18. In no event shall any agency of the executive branch expend any money for fiscal year 1982-83 for medical or hospitalization insurance until:

(1) Bids have been solicited and received for both:

(a) Medical and hospitalization insurance to be furnished by an insurance carrier, and

(b) Contract costs for the private administration of a state self-insurance program, and

(2) A summary of such bids has been furnished to the Interim Joint Committees on Appropriations and Revenue and State Government.

19. Nothing in this Act shall be construed to confirm or ratify, under KRS 12.025, any executive reorganization order unless such executive order was confirmed or ratified by number or by appropriate amendment to the Kentucky Revised Statutes in another Act of the 1982 Regular Session of the General Assembly. If any executive reorganization order issued from sine die adjournment of the 1980 Regular Session to sine die adjournment of the 1982 Regular Session is not confirmed by the 1982 General Assembly, the Secretary of Finance and Administration is empowered and directed, in consultation with agency heads and with notification to the Legislative Research Commission, to transfer the balance of funds for any affected program or function for fiscal year 1981-82 and any related amounts for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to such reorganization action or in which it was placed by action of the 1982 Regular Session of the General Assembly.

20. To the extent herein provided that General Fund expenditures at the close of fiscal year 1981-82 are less than General Fund appropriations for the same fiscal year, there is hereby appropriated from the General Fund in fiscal year 1982-83 the sum, up to the maximum amount of $5,000,000, to the Kentucky School Building Authority from such General Fund balance.

Agreed.

Representative LeMaster moved that the House refuse to concur in the following Senate Amendment No. 3 to **HB 295**:

Amend printed copy of Committee Substitute to **HB 295** as follows: on page 163, line 5, by inserting after the word "agency" the words ", except public institutions of higher education,";

and on page 163, after line 15, by adding the following:

"(3) During fiscal year 1982-83, the subsections of this provision shall apply to public institutions of higher education prior to the termination of existing contracts for medical or hospitalization insurance which occur during fiscal year 1982-83.".

Agreed.

Representative LeMaster moved that the House refuse to concur in the following Senate Amendment No. 4 to **HB 295:**

Amend printed copy of Committee Substitute to **HB 295** as follows: on page 147, line 27, after line 26, add the following new section:

I. Justice

1. State Police

Post (19) Pikeville

Investment Income (1981-82

200,000)

Agreed.

HB 105, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 105** is as follows:

Amend printed copy of **HB 105** as follows: on page 1, line 6, by deleting "*monthly*"

and on page 1, lines 9 through 14, by deleting those lines in their entirety and by inserting in lieu thereof the following:

"*(2) The fees shall be as follows:*

(a) For a felony, not less than $500 nor more than $2,500.

(b) For a misdemeanor, not less than $100 nor more than $500.

(3) The fee may be ordered paid in a lump sum or installments. If the fee is to be paid in a lump sum the person shall not be released from custody until the fee is paid in full. If the fee is to be paid in installments the person may be released on such terms and conditions as are set by the releasing authority.

(4) Upon the failure of a person to pay an installment on a fee set forth in a release agreement the releasing authority shall hold a hearing to determine why the installment has not been paid. Failure without good cause to pay an installment pursuant to a release agreement shall be grounds for the revocation of probation, parole, conditional release, or other form of release upon which the person has been released."

and on page 1, line 15, by changing "*(3)*" to "*(5)*"

and on page 2, line 20, by changing "*(4)*" to "*(6)*"

and on page 3, line 4, by changing "*(5)*" to "*(7)*"

and on page 3, line 6, by changing "*(6)*" to "*(8)*"

and on page 3, line 12, by changing "*(7)*" to "*(9)*"

and on page 3, line 15, by changing "*(8)*" to "*(10)*"

Representative Williams moved that the House concur in Senate Amendment No. 1 to **HB 105.** Agreed.

Representative Williams moved that **HB 105,** as amended by the Senate, be passed.

On the roll call the vote was yeas 65-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Cline, Cowan, Crupper, Curd, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moore, Nett, Petty, Priddy, Rapier, Rattliff, Richards, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, White, Williams, Worthington, Yates. Nays 13-Allen, Barrows, Clarke, Cyrus, Deskins, Ford, Fryman, Moberly, Noland, Overstreet, Pearman, Robinson, Tobin.

HB 105, as amended by the Senate, was passed and passed and the title agreed to.

Representative Williams moved that the vote by which **HB 105,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 525, with Senate Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Priddy moved that the House refuse to concur in the following Senate Committee Substitute to **HB 525:**

HB 525, AN ACT relating to the collection and expenditure of public funds and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 136.340 to 136.400 IS CREATED TO READ AS FOLLOWS:

(1) Every domestic, foreign or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370 or 136.390, shall charge and collect a surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether such charges are designated as premiums, assessments or otherwise. Said premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth (20th) day of each month, each insurer shall report and remit to the department of revenue, on such forms as it may require, all premium surcharge monies collected by it during its preceding monthly accounting period less any such monies returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. The funds derived from such premium surcharge, except as provided in subsection (2) of this section, shall be deposited in the state treasury, and shall constitute a fund allocated for the uses and purposes of the professional firefighters foundation program fund (KRS 95A.220) and the law enforcement foundation program fund (KRS 15.430).

(2) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the state treasury, and shall be paid monthly by the state treasurer into the volunteer fire department aid fund as provided in Section 11 of this Act.

(3) Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the state treasury as set forth in subsection (1) of this section, shall be paid by the state treasurer into the professional firefighters foundation program fund trust and agency account and the law enforcement foundation program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to Section 2 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) On June 1, 1982, and then on or before the first day of each December, March, June and September thereafter, the department shall request in writing of the administrator of the professional firefighters foundation program fund, which is established by KRS 95A.220, and of the administrator of the law enforcement foundation program fund, which is established by KRS 15.430, costs projections of their respective funds for the next quarter. Based on these projections, the department shall determine the proportionate share of total insurance premium surcharge proceeds, prescribed in Section 1 of this Act, to accrue to each fund.

(2) On or before the first day of each quarter, the department shall certify to the state treasurer a distribution schedule describing the proportionate share of total insurance premium surcharge proceeds accruing to each fund during such quarter, and the state treasurer shall pay into each fund's trust and agency account its proportionate share of all deposited tax monies as set forth and in the manner as prescribed in subsections (1) and (3) of Section 1 of this Act.

(3) Monies deposited in the professional firefighters foundation program fund's trust and agency account, and in the law enforcement foundation program fund's trust and agency account, shall be invested by the state in accordance with state investment practices, and all earnings from such investments shall accrue to, and be paid into the respective account from which such investments are made. All monies remaining on deposit at the close of the state's fiscal year in the professional firefighters foundation program fund's account and the law enforcement foundation program fund's account and all earnings from investments made from monies in these accounts, shall not lapse, and shall be used for the purposes as specified by law pertaining to the fund in which said deposits and earnings remain.

SECTION 3. A NEW SECTION OF KRS 15.410 to 15.510 IS CREATED TO READ AS FOLLOWS:

Upon receipt of a written request by the department of finance for costs projections of the law enforcement foundation program fund as prescribed in Section 2 of this Act, the administrator of the fund shall, within twenty-one (21) calendar days, certify in writing said projections to the department of finance.

SECTION 4. A NEW SECTION OF KRS 95A.200 to 95A.990 IS CREATED TO READ AS FOLLOWS:

Upon receipt of the written request by the department of finance for cost projections of the professional firefighters foundation program fund as prescribed in Section 2 of this Act, the administrator of the fund shall certify, within twenty-one (21) calendar days, in writing said projections to the department of finance.

Section 5. KRS 95A.220 is amended to read as follows:

(1) There is established the professional fire fighters foundation program fund consisting of appropriations from the general fund of the Commonwealth of Kentucky, *and insurance premium surcharge proceeds and earnings on the investments of those proceeds which accrue to this fund pursuant to Sections 1 and 2 of this Act* [~~in amounts sufficient to carry out the provisions of KRS 95A.200 to 95A.300~~]. The fund may also receive any other funds, gifts or grants made available to the state for distribution to local governments in accordance with the provisions of KRS 95A.200 to 95A.300.

(2) *All monies remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified in KRS 95A.200 to 95A.300* [~~The resources of the fund shall be paid into the state treasury and shall be drawn out or appropriated only in accordance with the provisions of KRS 95A.200 to 95A.300~~].

Section 6. KRS 95A.250 is amended to read as follows:

(1) Beginning July 1, 1982, an eligible local government shall be entitled to receive *annually a supplement of two thousand five hundred dollars ($2,500) for each qualified professional firefighter it employes.*

(2) Each qualified professional firefighter, whose local government receives a supplement pursuant to subsection (1) of this section, shall be paid by that local government the supplement which his qualifications brought to the local government. The supplement paid each qualified firefighter shall be in addition to his regular salary [~~an amount equal to fifteen percent (15%) of each fire fighter's total annual compensation from the fund to be paid to each fire fighter in addition to his regular salary~~].

Section 7. KRS 95A.290 is amended to read as follows:

(1) If funds appropriated by the general assembly and otherwise made available to the fund are insufficient to provide the amount of money required by KRS 95A.250, the commission shall make a uniform percentage reduction in the allotment of funds available.

(2) Funds appropriated by the general assembly and unexpended by the commission at the close of the fiscal year for which the funds were appropriated *and otherwise made available to this fund pursuant to Sections 1, 2 and 5 of this Act* shall not lapse, but shall be carried forward into the following fiscal year.

Section 8. KRS 15.430 is amended to read as follows:

(1) There is hereby established the Law Enforcement Foundation Program Fund consisting of appropriations *from the general fund of the Commonwealth of Kentucky, and insurance premium surcharge proceeds which accrue to this fund pursuant to Sections 1 and 2 of this Act.* [~~and~~] Any other funds, gifts, or grants made available to the state for distribution to local units of government in accordance with the provisions of KRS 15.410 to 15.510 *also shall be made a part of this fund.*

(2) *All monies remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified in KRS 15.410 to 15.500* [~~The resources of the Law Enforcement Foundation Program Fund shall be paid into the state treasury and shall be drawn out or appropriated only as provided hereinafter~~].

Section 9. KRS 15.460 is amended to read as follows:

(1) *Beginning July 1, 1982,* an eligible local unit of government shall be entitled to receive *annually* a supplement *of two thousand five hundred dollars ($2,500) for* [~~to~~] each qualified police *officer it employs* [~~officer's annual salary from the law enforcement foundation program fund, to be paid to each officer in addition to his regular salary. The state supplement for each qualifying officer shall be a percentage of that portion of each officer's annual base salary which does not exceed twenty thousand dollars ($20,000). The percentage shall be determined by the department of justice in accordance with available funding. The same percentage shall be utilized for all officers~~].

(2) *Each qualified police officer, whose local government receives a supplement pursuant to subsection (1) of this section, shall be paid by the local government the supplement which his qualifications brought to the local government. The supplement paid each police officer shall be in addition to his regular salary* [~~An eligible local unit of government shall also be entitled to receive, from the law enforcement foundation program fund, fifty percent (50%) of any salary increase paid to police officers solely because of college credits attained; provided, however, that the local unit shall file an educational incentive plan consistent with the guidelines and standards set down by the department of justice; provided further, that the contribution from the law enforcement foundation program fund under this subsection shall not exceed five hundred dollars ($500) per year for any one police officer. Funding for this program shall be suspended beginning July 1, 1980 through the period ending June 30, 1982 for the purpose of evaluation and review~~].

Section 10. KRS 15.500 is amended to read as follows:

(1) If funds appropriated by the general assembly and otherwise made available to the law enforcement foundation program fund are insufficient to provide the amount of money required by KRS 15.460, the department of justice shall establish the rate of assistance to be paid to eligible local units of governments [~~and a schedule of percentage supplements to categorically specified wage rates within each local unit~~].

(2) Funds [~~appropriated by the general assembly and~~] unexpended by the department of justice at the close of the fiscal year for which the funds were appropriated *and otherwise made available to this fund pursuant to Sections 1, 2 and 8 of this Act,* shall not lapse as provided by KRS 45.230, but shall be carried forward into the following fiscal year.

Section 11. KRS 17.250 is amended to read as follows:

(1) There is created and established within the department of housing, buildings and construction a volunteer fire department aid fund consisting of insurance premium surcharge proceeds as provided in subsection (2) of Section 1 of this Act. All monies remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified herein and Section 12 of this Act.

(2) Except as provided in subsection (3) of this section and Section 12 of this Act, the *state fire marshal* [~~commissioner of insurance~~] shall allot on an annual basis *an equal share of* the funds *accruing to and* appropriated for *volunteer* fire department aid [~~in the amounts not to exceed $2,000~~] to *volunteer* [~~the~~] fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and all other organized *volunteer* fire departments recognized by the *department of housing, buildings and construction* [~~commissioner of insurance~~] as fire departments operated and maintained on a nonprofit basis in the interest of the health, safety, prosperity and security of the inhabitants of the Commonwealth. He shall prescribe regulations and standards for determining the amounts to be granted. Such standards shall be based on the number of both paid fire fighters and volunteer firemen *within a volunteer fire department,* the amount of equipment, housing facilities available and such other matters or standards as will best effect the purposes of the *volunteer* fire department aid law. No allotment shall exceed the total value of the funds, equipment, lands and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance *and workers' compensation insurance,* and the remaining funds shall be distributed as set forth in this section.

(3) For the biennium beginning July 1, 1982 and ending June 30, 1984, two hundred thousand dollars ($200,000) of the insurance premium surcharge proceeds accruing to the volunteer fire department aid fund shall be allocated to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the commission on fire protection personnel standards and education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.

(4) Applications for funding of firefighters training center funds shall be submitted to the commission on fire protection personnel standards and education for their recommendation, approval, disapproval or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.

(5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of seventy-five percent (75%) of its personnel certified as recognized by the commission on fire protection personnel standards and education.

(6) Upon the written request of any department, the commission on fire protection personnel standards and education shall make available a certified training program in a county of which such department is located.

(7) The amount of reimbursement for any given year for costs incurred by the department for administering these funds shall be determined by the commission and shall not exceed five percent (5%) of the total amount of monies accruing to the volunteer fire department aid fund during any fiscal year.

SECTION 12. A NEW SECTION OF KRS 61.315 to 61.320 IS CREATED TO READ AS FOLLOWS:

(1) "Volunteer firefighter", as used in this section, means any person who is a member of or employed by a volunteer fire department of any county, city, fire district or other organized volunteer fire department operated and maintained on a nonprofit basis in the interest of health and safety of the inhabitants of the Commonwealth.

(2) The spouse of any volunteer firefighter whose death occurs as a direct result of an act in the line of duty shall receive a lump sum payment of twenty-five thousand dollars ($25,000), which sum shall be paid by the state treasurer from the insurance premium surcharge monies provided in subsection (2) of Section 1 of this Act. If there is no surviving spouse, the payment shall be made to the surviving children.

Section 13. KRS 15.360 is amended to read as follows:

(1) The Kentucky Law Enforcement Council shall have the power to certify police instructors and to recertify the same. Said certifications shall be done pursuant to regulations issued by the council for the purpose of assuring high quality police instructors in the Commonwealth. Said regulations may include but are not limited to:

(a) The level of formal or other training possessed by the instructor;

(b) The work-related background of the instructor;

(c) The personal background of the instructor with regard to absence of past criminal record; [~~and~~]

(d) *Provisions for waiver of instructor certification requirements as to specified persons, courses or subjects; and*

(e) Other such matters as the council may deem to be necessary to insure high quality police instruction for the Commonwealth.

(2) [~~In addition to the certifications authorized above the council is hereby authorized to:~~

~~(a) Issue limited or temporary instructor authorizations; and~~

~~(b) Waive instructor certification requirements as to specified persons, courses, or subjects.~~

~~(3) The council shall issue such regulations as may be necessary to carry out the provisions of KRS 15.350 to 15.370.~~] The council shall make no charges for certification as a police instructor.

[~~(4) The chief of police, or head of any certified school, may waive on an ad hoc basis certification requirements for any person whose qualifications in the field of instruction to be taught are in his opinion worthy of such waiver. A record shall be kept of instances of waiver, the qualifications of the instructor concerned and the subject taught. Said record shall be subject to periodic examination by the council acting through its staff.~~]

Section 14. The first seven million eight hundred ninety three thousand and four hundred dollars ($7,893,400) of insurance premium surcharge monies collected as provided in subsection (1) of Section 1 of this Act shall be paid into the general fund of the Commonwealth; thereafter, all insurance premium surcharge monies as provided in subsection (1) of Section 1 of this Act shall accrue to the law enforcement foundation program and the professional firefighters foundation program as provided in this Act.

Section 15. Whereas, the general fund appropriations for fiscal year 1981-82 for the professional firefighters foundation program fund as provided by KRS 95A.200 through 95A.990, and the law enforcement foundation program fund as provided by KRS 15.410 through 15.510 will lapse on June 30, 1982, an emergency is declared to exist, and Sections 6 and 9 of this Act, shall become effective on July 1, 1982, and all other sections of this Act shall become effective upon its passage and approval by the Governor.

Agreed.

Representative Priddy moved that the House refuse to concur in the following Senate Amendment No. 1 to **HB 525:**

Amend printed copy of Senate Committee Substitute to **HB 525** as follows: on page 1, title, by deleting the title and substituting in lieu thereof the following: "AN ACT relating to public safety and providing funding therefor."

Agreed.

HB 107, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 107** is as follows:

Amend printed copy of **HB 107** as follows: page 1, line 5, following "*June,*" by deleting "*1985*" and inserting "*1982*" in lieu thereof;

page 2, following line 10 by inserting the following:

"*(6) The county treasurer holding office on the effective date of this Act shall serve until his successor is appointed and qualified.*";

page 2, line 16, following "*June,*" by deleting "*1985*" and inserting "*1982*" in lieu thereof; and

page 3, following line 16 by adding the following:

"*(6) The county treasurer holding office on the effective date of this Act shall serve until his successor is appointed and qualified.*"

Representative Stumbo moved that the House concur in Senate Amendment No. 1 to **HB 107.** Agreed.

Representative Stumbo moved that **HB 107,** as amended by the Senate, be passed.

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, Maggard, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomason, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Deskins, Patrick, Pearman, Tobin.

HB 107, as amended by the Senate, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 107,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 820, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 820** is as follows:

Amend printed copy of **HB 820** as follows: on page 4, after line 17, by adding the following:

"Section 2. KRS 152.760 is amended to read as follows:

The board of energy research may, if any energy developmental or demonstration project undertaken by the Kentucky department of energy pursuant to KRS 152.750 is deemed economically feasible by the board, request the state property and buildings commission to issue revenue bonds as authorized by KRS Chapters 56- or 58 to meet monetary commitments under any contract executed by the Kentucky department of energy, with the approval of he board, for the construction or acquisition of such project, *provided that the board has determined and documented the fiscal impact of the proposed project, including but not limited to the extent to which the proposed project will create, directly or indirectly, additional demands for public services, such as police and fire protection, streets and roads, water purification and distribution, sewage treatment and collection, solid waste collection and disposal, health care, education and recreation, which are provided by any local governments, boards, districts, or the Commonwealth.*"

Representative Stumbo moved that the House concur in Senate Amendment No. 1 to **HB 820.** Agreed.

Representative Stumbo moved that **HB 820,** as amended by the Senate, be passed.

On the roll call the vote was yeas 76-Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Morris, Nett, Noe, Noland, O'Brien, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Robinson, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 8-Allen, Burnette, Deskins, Layman, Moberly, Moore, Overstreet, Rattliff.

HB 820, as amended by the Senate, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 820,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 503, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 2 to **HB 503** are as follows:

Amend printed copy of **HB 503** as follows: page 18, following line 26, add the following:

"Section 16. KRS 6.213 is amended to read as follows:

(1) In addition to the per diem and all allowances provided by law to members of the general assembly of the Commonwealth of Kentucky each member of the legislature is hereby granted an expense allowance of *nine* [~~seven~~] hundred fifty dollars *($950)* [~~($750)~~] per month for secretarial assistance, books and periodicals, other reports or publications, conduct of small scale studies related to governmental activity, postage, telephone service, or any other expense incident to performance of the legislator's duties.

(2) The expense allowance provided for herein shall not be payable during any session of the general assembly. For sessions occurring during a part of the month, the expense allowance shall be prorated.

(3) Such expense allowances shall be paid by the state treasury out of the general fund of the Commonwealth upon warrant of the executive department for finance and administration, issued on the certification of the director of the legislative research commission."

page 19, line 1, delete "16" and insert in lieu thereof "17"

page 19, line 4, delete "17" and insert in lieu thereof "18"

and on this date, we also passed the following Title Amendment

on page 1, by changing the title to read as follows: "AN ACT relating to state government"

Representative LeMaster moved that the House concur in Senate Amendment No. 1 to **HB 503.** Agreed.

Representative LeMaster moved that the House concur in Senate Amendment No. 2 to **HB 503.** Agreed.

Representative LeMaster moved that **HB 503,** as amended by the Senate, be passed.

On the roll call the vote was yeas 46-Barrows, Bennett, Blandford, Boswell, Burch, Clapp, Clark, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Gray, Guenthner, Head, Hines, Holloway, R. Jones, Kidd, Lefevers, LeMaster, Little, Lundergan, McBee, Moberly, Moore, Noe, Perkins, Petty, Priddy, Rapier, B. Richardson, Robinson, Schmidt, Stone, Stumbo, Thomason, Tobin, Van Horn, White, Williams, Yates. Nays 34-Allen, Brinkley, Bronger, Bruce, Caldwell, Crupper, Ellington, Endicott, Farrow, Freibert, Fryman, Hancock, Harper, Heleringer, Holbrook, Layman, Lile, List, Long, Maggard, McNutt, Meyer, Morris, Noland, O'Brien, Patrick, Pearman, Rattliff, Richards, B. Smith, F. Smith, Todd, Turner, Worthington.

HB 503, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 503**, as amended by the Senate was passed be reconsidered and said motion be placed on the table. Agreed.

HB 483, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 2 to **HB 483** are as follows:

Amend printed copy of **HB 483** as follows: on pages 34 and 35, delete Section 13 in its entirety; and

on page 35, line 11, renumber Section "14" as Section "15"; and

on page 38, line 14, renumber Section "15" as Section "14"; and

on page 40, line 3, renumber Section "16" as Section "15"; and

on page 42, line 26, delete in its entirety; and

on page 43, lines 1 through 7, delete in their entirety; and

on page 43, lines 12 through 26, delete in their entirety; and

on page 44, lines 1 through 25, delete in their entirety; and

on page 47, lines 18 through 20, delete in their entirety.

on page 47, after line 20,

"SECTION 17. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

Notwithstanding the provisions of KRS 243.070, in any city of the third or fourth class in which the discontinuance of prohibition is effective by virtue of a local option election held in the manner prescribed in KRS 242.010 to 242.040 and KRS 242.060 to KRS 242.120, and in the case of fourth class cities, KRS 242.127, to KRS 242.129, the governing body of the city is authorized to impose a regulatory license fee upon the gross receipts of each establishment therein licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each city budget period at such percentage rate as shall be reasonably estimated to fully reimburse the city for the estimated costs of any additional policing regulatory or administrative expenses related to the sale of alcoholic beverage in the city. Such regulatory license fee shall be in addition to any other taxes, fees or licenses permitted by law, but a credit against such fee shall be allowed in an amount equal to any licenses or fees imposed by the city pursuant to KRS 243.070."

Representative Nett moved that the House concur in Senate Amendment No. 1 to **HB 483.** Agreed.

Representative Nett moved that the House concur in Senate Amendment No. 2 to **HB 483.** Agreed.

Representative Nett moved that **HB 483,** as amended by the Senate, be passed.

On the roll call the vote was yeas 57-Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Endicott, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, LeMaster, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Nett, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Williams, Yates. Nays 23-Allen, Barrows, Bruce, Burnette, Deskins, Ellington, Farrow, Ford, Foster, Haering, Heleringer, T. Jones, Layman, Lefevers, Lile, Little, Morris, Noland, Overstreet, Pearman, Thomas, Todd, Van Horn.

HB 483, as amended by the Senate, was passed and the title agreed to.

Representative Nett moved that the vote by which **HB 483,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 622, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 622** is as follows:

Amend printed copy of **HB 622** as follows: on page 1, line 1, by deleting all material following the enacting clause and inserting the following in lieu thereof:

SECTION 1. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

As used in this section unless the context otherwise requires:

(1) "Governing board" means the board of trustees or board of regents constituting the corporate bodies established by KRS 164.160 and 164.310 for the purpose of governing universities and colleges.

(2) "Institutions" means all public supported institutions of higher education in Kentucky recognized in KRS 164.100, 164.290, 164.293 or 164.810(1)(a).

(3) "Affiliated corporation" means a corporate entity which is not a public agency and which is organized pursuant to the provisions of KRS Chapter 273 over which an institution exercises effective control, by means of appointments to its board of directors, and which could not exist or effectively operate in the absence of substantial assistance from an institution.

(4) "Depository bank" means any bank so designated by the treasurer of the Commonwealth as appropriate for receiving public monies.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The secretary of the department of finance shall issue warrants authorizing the treasurer of the Commonwealth of Kentucky to pay to the treasurer of each institution any amounts due by virtue of the state appropriations for that institution, or transfer the amount due electronically if electronic transfer is authorized by statute. The transfer of funds shall be handled in a manner to assure a zero balance in the general fund account at the university.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of the public institutions of higher education electing to perform in accordance with this Act regarding the acquisition of funds, accounting, purchasing, capital construction and affiliated corporations shall do so by regulation. The responsibility for this election is vested with the governing boards, any other statute to the contrary notwithstanding. The governing board may delegate these responsibilities by regulation to appropriate officials of the institution. The anticipated investment earnings which have been credited to the general fund and the anticipated investment earnings on funds in the capital construction account, excluding revenue bonds, for fiscal years 1982-83 and 1983-84 may be deducted from the respective institution's trust and agency funds on deposit prior to the issuance of a check or transfer to the governing board.

(2) The governing boards of institutions may elect to receive, deposit, collect, retain, invest, disburse, and account for all funds received or due from any source including, but not limited to, state and federal appropriations for the support or maintenance of the general operations or special purpose activities of such institutions. In the event of such election by the governing board:

(a) The treasurer of the university shall deposit on a timely basis all tuition fees, fees for room and board, incidental fees, contributions, gifts, donations, devises, state and federal appropriations, monies received from sales and services, admittance fees, and all other monies received from any source, in a depository bank or banks designated by the governing board.

(b) The governing board shall promulgate rules and regulations limiting disbursements to the amounts and for the purposes for which state appropriations have been made, or for which other monies

have been received. All disbursements shall be recorded in a system of accounts as set forth in this Act. The treasurer of each institution shall prescribe forms to be used with the system of accounts, and no treasurer shall approve any disbursement document unless he determines that the disbursement is to satisfy a liability of the institution incurred for authorized purposes and that the disbursement is to be made from the unexpended balance of a proper allotment.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing board of each university making the election authorized in Section 3 of this Act shall as a condition of such election install an accrual basis accounting system conforming with generally accepted accounting principles and procedures established for colleges and universities by the national association of college and university business officers and the american institute of certified public accountants. The accounting system shall include but not be limited to the following fund structure:

(a) An operating fund group (unrestricted current funds), consisting of all monies not otherwise restricted, available for general operations, including state appropriations, federal funds, and unrestricted institutional receipts. Separate accounting fund groups may be established for auxiliary enterprises, athletics, hospitals, and other similar operations.

(b) A restricted fund group consisting of appropriations and other receipts restricted as to purpose which shall not be included in the operating fund.

(c) A loan fund group consisting of gifts, grants, and other funds provided and available for loans to students.

(d) An endowment fund group consisting of funds, the principal of which is not currently expendable.

(e) An agency fund group consisting of resources held by the institutions as custodian or fiscal agent for individual students, faculty, staff members and organizations.

(f) A plant fund group consisting of:

1. Unexpended plant funds to be used for the acquisition of long lived assets for institutional purposes (capital construction funds);

2. Funds for renewal, maintenance, and replacement of institutional buildings, equipment and other properties; and

3. Funds set aside for debt service charges and retirement of indebtedness on institutional plant.

(2) A record of each general fund appropriation shall be maintained so as to identify the institutional budgets to which such funds are allotted. Any uncommitted state general funds remaining after the close of business on the last day of the fiscal year shall lapse and be returned to the treasury of the Commonwealth. Each appropriation shall be used for the intended purpose and where questions of intent arise subject to the provisions of KRS 45.750 and 45.800 in the case of capital construction projects and major items of equipment as defined by these sections, the decision of the secretary of finance, based upon budget work papers, shall be final.

(3) A separate account showing sources of revenue and all expenditures shall be maintained for each capital construction project. At the end of each fiscal year, a report containing a listing of all capital construction projects, with sources of funds, expenditures and current status for each, shall be submitted to the capital construction and equipment purchase oversight committee.

(4) Within thirty (30) days after the effective date of this Act, the secretary of finance shall submit to the capital construction and equipment purchase oversight committee a complete record of all funds and project records transferred to institutions under the provisions of this Act.

(5) Within thirty (30) days after the effective date of this Act, the governing boards shall submit to the capital construction and equipment oversight committee a report containing a complete list of capital

construction projects and unexpended plant funds in existence on the effective date of this Act. The source of funds, expenditures and current status of each project shall be shown.

(6) State general funds appropriated by the general assembly for capital construction projects and equipment purchases as defined in KRS 45.750 through 45.800 shall not lapse at the end of a fiscal year. They shall be carried forward until the project is completed. Any such unexpended funds remaining after acceptance of the project as complete shall be returned to a surplus account of the capital construction fund for investment until appropriated and allotted as provided in KRS 45.750 through 45.800.

(7) Long lived assets of the institution, including land, buildings, and capital equipment shall be accounted for in the plant fund group.

(8) The governing boards of each institution shall make an annual report of the financial activity to the council on higher education. The report shall meet the requirements of the council's system of uniform financial reporting for institutions of higher education.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board of any university making the election prescribed in Section 3 of this Act shall engage a qualified firm of certified public accountants experienced in the auditing of institutions to conduct an annual examination of the institution's financial statements in accordance with generally accepted auditing standards for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with this Act. The secretary of finance may prescribe the minimum scope of any such audit. The opinion, with the findings and recommendations, shall be forwarded to the governor, the secretary of the department of finance, the auditor of public accounts, the director of the legislative research commission, the executive director of the council on higher education, and members of the governing board.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The governing boards of each institution may elect to purchase interest in real property, contractual services, rentals of all types, supplies, materials, equipment, printing, and services, except that competitive bids may not be required for:

(a) Contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;

(b) Food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies;

(c) Instructional materials available from only one (1) source;

(d) Where rates are fixed by law or ordinance;

(e) Library books;

(f) Commercial items that are purchased for resale;

(g) Professional, technical, scientific or artistic services, but contracts shall be submitted in accordance with KRS 45.700 and 45.720;

(h) All other commodities, equipment and services which, in the reasonable discretion of the board, are available from only one (1) source; and

(i) Interests in real property.

(2) Nothing in this section shall deprive the boards from negotiating with vendors who maintain a general service administration price agreement with the United States of America or any agency thereof, provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between general service administration and the vendor affected.

(3) The governing board shall require the institution to take and maintain inventories of plant and equipment.

(4) The governing board shall establish procedures to identify items of common general usage among all departments to foster volume purchasing. It shall establish and enforce schedules for purchasing supplies, materials, and equipment.

(5) The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property.

(6) Upon the approval of the secretary of finance, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. The amount paid shall not exceed the appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure.

(7) The governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the appropriate officer of the board. Unless the board deems it in the best interest of the institution to proceed otherwise, all such real or personal property shall be sold either by invitation of sealed bids or by public auction, provided, however, that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the department of finance or the department of transportation for such requirements of that department.

(8) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employe of any board of the institution, based upon a written application by the grantor or leasor approved by the board, that the employe has not either himself or through any other person influenced or attempted to influence either the board requesting the purchase of the property. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the secretary of state along with the other documents recorded pursuant to the provisions of KRS Chapter 56.

(9) For capital construction projects, the bidding may be on a total design-bid basis, a package system commonly referred to as "turnkey," or construction management, whichever in the judgment of the board offers the lowest real cost to the taxpayer. Bids shall be reviewed by the institution's engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.

(10) The governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost. To accomplish this the board may enter into cooperative agreements with other public or private institutions of education or health care.

(11) The governing board shall have control and supervision over all purchases of energy consuming equipment, supplies and related equipment purchased or acquired by the institution, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.

(12) The governing board may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency must be fully explained, in writing, by the vice president responsible for business affairs and such explanation must be approved by the university president. The letter and approval shall be filed with the record of all such purchases. Where practical, standard specifications shall be followed in making emergency purchases. A good faith effort shall be made to effect a competitively established price for emergency purchases.

Section 7. KRS 164.410 is amended to read as follows:

(1) The governing board [~~Each board of regents~~] may[~~, on such terms as it regards best for the university or college,~~] purchase or lease land for the purpose of securing the erection of buildings, and may receive by any legal mode of conveyance, purchase and hold property of any description that the board deems necessary for the purposes of the school, and may build and construct improvements for such purposes and hold or sell the same. If a board of regents is unable to agree with the owner of such real estate as to its value, or to its purchase, it may proceed in its own name to condemn such real estate in the manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by purchase or condemnation shall be paid for out of money appropriated to the *institution* [~~university or college. Each board of regents may, when it regards it best for the school, sell and convey any real estate, buildings or equipment owned by it, but the proceeds arising from the sale must be reinvested in other real estate, buildings and equipment for the use of the university or college~~].

(2) The governing board of each institution shall periodically review the assets of the institution and shall sell and convey those assets not necessary for implementing the institutional mission. Proceeds from the disposition shall be deposited in the unexpended plant fund account or in the fund for excellence authorized by this Act.

(3) Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Subject to the provisions of KRS 45.750 through 45.800 and KRS 56.870 to 56.874, the governing board of each institution may provide for the management and administration of capital construction projects authorized for such institution including, but not limited to:

(1) The procurement of necessary consulting services;

(2) The supervision and control of the making of all contracts for building projects, renovation projects, repair projects, and supervision of same;

(3) The prescription of the amount and form of evidences of indebtedness submitted in connection with bids and contracts when not otherwise provided by law;

(4) The preparation of plans and specifications for any construction, alteration, or enlargement of buildings, structures, and other improvements;

(5) The advertisement of bids and the awarding of contracts in connection with such projects;

(6) The supervision and inspection of all related work;

(7) The approval of changes in plans or specifications; and

(8) The acceptance of such improvements when completed according to such plans and specifications.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) Subject to authorization by the general assembly, the governing boards may make plans and specifications, advertise for bids, let contracts or incur any financing commitments, either in the way of a charge against institution funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction, alteration, reconstruction, or major repair of any building or other structure, or sewage disposal, water supply system or other utility system.

(2) Review of construction plans for conformance with the uniform state building code shall be conducted by the department of housing, buildings and construction. The board shall not approve any such project requiring its approval in any instance where it finds that the project is not needed, or that the proposed method of financing is not sound, or in cases where the project will exceed the amount of the funds

available therefor, or the work contemplated will be insufficient to accomplish the purpose of the project, or that after providing for the ordinary recurring expenses of administration and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the treasury to promptly pay for the work or that the work is to be done by employes of the institution.

(3) Any capital construction project, except as provided in subsection (4), shall be contracted for on a competitive bid basis, and the execution of such contracts shall be approved and authorized by the board. When a capital construction project has been approved as provided in this section, in whole or in part, the board shall prepare the plans and specifications, advertise for bids, award the contracts, supervise the construction and handle the financial negotiations.

(4) A capital construction project, the total cost of completion of which will not exceed seventy-five thousand dollars ($75,000), may be performed by the employes of the institution or by individuals hired specifically for the project. Necessary materials and supplies shall be procured in accordance with the standard purchasing procedures and policies of the board as defined in this Act.

SECTION 10. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In the procurement of architectural and engineering services, the governing board of the institution shall encourage firms engaged in the lawful practice of their profession to submit an annual statement of qualifications and performance data.

(2) When the need for architectural and engineering services arise for specific projects, the governing board shall evaluate current statements of qualifications and performance data on file with the Commonwealth, together with those that may be submitted by other firms and shall conduct discussions with no less than three (3) firms regarding anticipated design concepts and the relative utility of alternative methods of approach for furnishing the required services, and shall then select therefrom, in order of preference, based upon criteria established and published, no less than three (3) of the firms deemed to be the most highly qualified to provide the services required.

(3) The governing board shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the governing board determines in writing to be fair and reasonable to the Commonwealth. In making this decision, the governing board shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the governing board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price it determines to be fair and reasonable to the institution, negotiations with that firm shall be formally terminated. The governing board shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the governing board shall formally terminate negotiations with that firm. The governing board shall then undertake negotiations with the third most qualified firm. Should the governing board be unable to negotiate a satisfactory contract with any of the selected firms, it shall select additional firms in order of their competence and qualification and the governing board shall continue negotiations in accordance with this section until an agreement is reached.

SECTION 11. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Capital construction projects shall be carried out as follows:

(1) Subject to the provisions of KRS 45.750 through 45.800, the governing boards of the institutions may acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, equip, furnish, and operate any buildings, structures, improvements, or facilities, including any utilities, other related services and appurtenances and land required as the respective governing boards shall deem necessary for carrying on the educational, research or public service programs or discharging the statutory responsibilities of the universities and colleges and various divisions under the jurisdiction of the boards, or for the management, operation, or servicing of the universities and colleges.

(2) The governing boards may acquire real or personal property, by purchase, lease, sublease, condemnation, trade or exchange, gift, devise, or otherwise, and improve such property whenever in the judgment of the governing board it shall be necessary. The title to any real estate acquired under this section shall vest in the Commonwealth for the use and benefit of the appropriate institution.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) The procedures and limitations related to capital construction and equipment purchases set forth in KRS 45.750 through 45.800 shall apply to the governing boards. The governing boards shall establish a contingency fund and an emergency repair, maintenance and replacement fund in their plant fund records. Transfer and use of these funds shall be governed by the provisions of KRS 45.770 and 45.780, as appropriate, except that the governing boards of each university shall perform the functions assigned to the department of finance in KRS 45.770 and 45.780.

(2) Capital construction and equipment purchase projects established by the governing boards shall be limited to the scope authorized by the general assembly, and the total costs of each project shall not exceed the appropriation; except for emergency projects that may arise. In such instances, the governing boards may transfer funds from other projects or from operating funds; however each emergency project that is authorized by the board and sources of funds shall be promptly reported to the capital construction and equipment purchase oversight committee.

SECTION 13. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Subject to the provisions of KRS 45.750 to 45.800 and KRS 56.870 to 56.874, the governing boards may issue, under the provisions of KRS 162.340 to 162.380, consolidated educational building revenue bonds, housing bonds, or bond anticipation notes. The board of the institution shall submit to the state property and building commission a request for approval of the project before any financial commitment of any sort may be made in connection therewith, including employment of architects, engineers, fiscal agents or attorneys. Personal service contracts for fiscal agents and bond counsel shall be subject to KRS 45.700 to 45.720 and architects and engineers shall be selected as provided in Section 10 of this Act. After approval by the commission, the governing board shall appoint fiscal agents, bond counsel and architects and engineers as may be required to make plans and specifications or financial arrangements for the project. The date of sale on such issues shall be coordinated with the department of finance to avoid a conflict with other state bond issues.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) An institution may organize and operate one (1) or more affiliated corporations to assist it in carrying out its programs, missions or other functions. A qualified firm of certified public accountants experienced in the auditing of colleges and universities and their affiliated corporations shall be engaged to conduct an annual examination of the corporation's financial statements in accord with generally accepted auditing standards for the purpose of rendering an independent opinion thereon and preparing a report of findings and recommendations concerning appropriate accounting controls and compliance with applicable statutes. The affiliated corporation shall adhere to the principles of accounting and purchasing used by the institution with which it is affiliated.

(2) The affiliated corporation shall provide the institution with an accounting at least quarterly, of all income and expenditures of said corporation in connection with contracts or grants with entities external to the institution and the corporation, for the conduct of research or other projects carried out, in whole or in part, through the use of institutional facilities or personnel.

(3) The affiliated corporation shall pay to, or for the benefit of, the instititution any and all funds received by it from any person, corporation, association or governmental agency external to the institution and the affiliated corporation as reimbursement for indirect expenses incurred by the institution in carrying out research or furnishing other goods or services, deducting from such payments only the expenses attributable to the procurement and performance of research grants and contracts and other contracts for the provision of such goods and services and such sums as may be essential to meet contractual obligations incurred at the request of the institution's governing board.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

Nothing contained in this Act shall be construed to prevent an institution or an affiliated corporation from enforcing or carrying out the bona fide terms of any gift, grant, conveyance, devise or bequest from *any private person, corporation, foundation, estate or other entity contributing funds or any other thing of value to the institution or affiliated corporation, nor shall same be construed to prevent an affiliated corporation from awarding athletic scholarships or other scholarship, fellowship, assistantship or similar grants, loans or awards to students, faculty or other employes of an institution, or from performing such other functions as may be assigned by the institution's governing board.*

Section 16. KRS 164.340 is amended to read as follows:

The governing [~~Each~~] board [~~of regents~~] shall meet quarterly at the university or college or at such other place as is agreed upon. Upon written request of the president of the *institution* [~~university or college~~] or of two (2) members of the board, the chairman of the board shall call a special meeting at a place designated by him, and the board may at such special meeting transact any or all business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money *shall be made* nor any contract that requires *a* [~~an appropriation or~~] disbursement of money shall be *authorized* [~~made~~], and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

SECTION 17. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board is authorized to establish a "fund for excellence" trust fund into which gifts, grants, and special appropriation by the general assembly intended for such purpose may be deposited. The governing board may also deposit into this fund proceeds from the sale of surplus property. Investment income from monies in this fund shall be used only to enhance academic programs of the institutions.

SECTION 18. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

If any provisions of this Act or the application thereof to any persons or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 19. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

(1) In carrying out the provisions of this Act the governing boards shall be bound by the following statutes:

(a) KRS 56.610 to 56.820 regarding relocation assistance and lease of property for state use, and 56.870 to 56.874 regarding legislative approval of state fiscal obligations.

(b) The Kentucky Model Procurement Code as set forth in KRS Chapter 45A.

(c) KRS Chapter 56 as it relates to the approval of revenue bond issues by the state property and building commission, and the issuance of revenue bonds and bond anticipation notes.

(d) KRS 45.550 to 45.640 regarding equal employment opportunity.

(2) Any other provisions of KRS Chapters 41, 42, 45, 56, 57 to the contrary notwithstanding, this Act shall govern the financial management of higher education with the exception of KRS 45.990 and 45A.990 having to do with penalties which shall be applicable to violations of this Act.

(3) Any officer, agent or employe of any institution who wilfully fails or refuses to comply with any other provisions of this Act is subject to indictment in the appropriate circuit court and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than one thousand dollars ($1000.00) for each offense.

Representative Richards moved that the House concur in Senate Amendment No. 1 to **HB 622.** Agreed.

Representative Richards moved that **HB 622,** as amended by the Senate, be passed.

On the roll call the vote was yeas 79-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Endicott, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Hines, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 6-Ellington, Fryman, Haering, Harper, Moore, Rattliff.

HB 622, as amended by the Senate, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 622,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 378, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and No. 2 are as follows:

Amend printed copy of **HB 378** as follows: on page 1, line 18 after the word "be" by inserting "*the greater of*"; and

on page 1, line 19 after "KRS 64.527," by deleting the words "*and with*" and inserting "*or*" in lieu thereof; and

on page 1, line 20 by deleting "*the approval of the fiscal court*".

on page 2, lines 11-19 by deleting them in their entirety.

Representative Burnette moved that the House concur in Senate Amendment No. 1 to **HB 378.** Agreed.

Representative Burnette moved that the House refuse to concur in Senate Amendment No. 2 to **HB 378.** Agreed.

Recess

Representative LeMaster moved that the House recess for ten minutes. Agreed.

At the appointed hour, the Speaker assumed the Chair and called the House to order.

Senate Message

SB 7 returned with the following message: The Senate has refused to concur in the House Committee Substitute to **SB 7.**

SB 82 returned with the following message: The Senate has refused to concur in the House Amendment to **SB 82.**

The following Conference Committees have been appointed by the Senate: **HB 26,** Senators Karem, Moseley, and Peniston; **HB 77,** Senators Rogers, Martin, and Travis; **HB 308,** Senators McGee, Lackey, and Stuart; **HB 429,** Senators Garrett, Meyer, and Berger.

Orders of the Day (continued)

HB 244, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 244** is as follows:

Amend printed copy of **HB 244** as follows: page 1, line 4, by inserting after "*leave*" the words "*not to exceed six (6) weeks*"

Representative Turner moved that the House concur in Senate Amendment No. 1 to **HB 244.** Agreed.

Representative Turner moved that **HB 244,** as amended by the Senate, be passed.

Representative Kidd moved that **HB 244,** as amended by the Senate, be laid on the table. Rejected.

On the roll call the vote was yeas 78-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Noe, Noland, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn. Nays 4-Kidd, Moore, Seum, Williams.

HB 244, as amended by the Senate, was passed and the title agreed to.

Representative Turner moved that the vote by which **HB 244,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 649, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1 and 2 to **HB 649** are as follows:

Amend printed copy of **HB 649** as follows: page 19, line 11, by inserting between the words "*any*" and "*account*" the words "*general fund*"; and

on page 42, line 14, by inserting between the words "*all*" and "*balances*" the words "*general fund or road fund*"; and

on page 42, by deleting lines 19 and 20 in their entirety and inserting in lieu thereof "*After this date prior year payments may be authorized by the head of a branch of government only if the obligation was encumbered before the end of the fiscal year.*"; and

on page 62, line 16, by inserting between the comma and the word "and" the words "*interest earned from investments of funds in imprest cash funds and funds in the trust and revolving fund for each state public university shall be credited to the appropriate institutional account,*"

on page 105, after line 23, insert the following: "*Section 80. The provisions of this Act shall become effective January 1, 1984.*"

Representative Thomason moved that the House concur in Senate Amendment No. 1 to **HB 649.** Agreed.

Representative Thomason moved that the House refuse to concur in Senate Amendment No. 2 to **HB 649.** Agreed.

The following members were appointed to the Conference Committee on **HB 429:** Representative Richards, Chairman; Representative Long, Representative Johnson.

The following members were appointed to the Conference Committee on **HB 308:** Representative Petty, Chairman; Representative Cyrus, Representative Barrows.

The following members were appointed to the Conference Committee on **HB 77:** Representative Hines, Chairman; Representative Mann, Representative Lile.

The following members were appointed to the Conference Committee on **HB 26:** Representative Little, Chairman; Representative Rattliff, Representative McBee.

HB 526, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 526** is as follows:

Amend printed copy of **HB 526** as follows: page 19, line 3, by deleting "Section 5." in its entirety and substituting in lieu thereof the following:

SECTION 5. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) The department of revenue is authorized to establish an account entitled the "mapping project account" which is a fund created within the restricted fund group set forth in KRS 45.322(1)(e). The purpose of this account is to provide funds for the mapping project as set forth in KRS 132.670. This account shall not lapse.

(2) There is hereby authorized to be deposited into this account the balance of the money heretofore deposited in the "Kentucky Wastewater Revolving Fund" created pursuant to KRS 107.600, now repealed.

(3) The commissioner of revenue or any person duly authorized by him shall have the authority to withdraw from this account for the purpose set forth in subsection (1) of this section.

Representative Clarke moved that the House concur in the Senate Amendment No. 1 to **HB 526.** Agreed.

Representative Clarke moved that **HB 526,** as amended by the Senate, be passed.

On the roll call the vote was yeas 60-Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Freibert, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, Johnson, T. Jones, Kenton, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Meyer, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stumbo, Thomason, Van Horn, Williams. Nays 20-Allen, Blevins, Ellington, Endicott, Ford, Fryman, Haering, Heleringer, Layman, Lefevers, McNutt, Morris, Noland, Overstreet, Patrick, Robinson, Tobin, Todd, Turner, Worthington.

HB 526, as amended by the Senate, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 526,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 785, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments No. 1, 2, and 3 to **HB 785** are as follows:

Amend printed copy of **HB 785** as follows: on page 19, line 10, by deleting the words "*, department of*"; and

on page 19, line 11, by deleting the words "*the arts*"; and

on page 41, line 24, by deleting "*, as well as overseeing the presentation of*"; and

on page 41, line 25, by deleting the words "*Kentucky's historic landmarks and buildings*"; and

on page 42, by deleting lines 23 through 26; and

on page 43, by deleting lines 1 through 3 and lines 7 through 9 in their entirety; and

on page 60, line 5, by deleting "*department*"; and on page 60, line 6, by deleting the words "*of the arts*" and inserting in lieu thereof "*education and humanities cabinet*"; and

on page 60, following line 6, add the following:

"*(7) A heritage division, which duties shall include providing staff services needed by the heritage council in order to perform its duties under KRS 171.381, including but not limited to preserving and protecting buildings, sites and other landmarks associated with the archaeological, cultural, economic, military, national, political and social aspects of Kentucky's history.*

(8) The heritage division shall be headed by a director appointed by the governor from a list of three (3) nominees submitted by the heritage council."; and

on page 63, line 22, by deleting "*, department of the arts*"; and

on page 64, line 3, by deleting "*, department of the arts*"; and

on page 64, line 11, by deleting "*, department of*"; and

on page 64, line 12, by deleting "*the arts*"; and

on page 64, line 26, by deleting "*, department of the arts*"; and

on page 65, line 16, by deleting "*, department of the arts*"; and

on page 69, line 6, by deleting "*, department of the arts*; and

on page 69, line 11, by deleting the words "*department of*"; and

on page 69, line 12, by deleting the words "*the arts*"; and, inserting in lieu thereof the word "*division*"; and

on page 69, line 18, by deleting "*, department of*"; and

on page 69, line 19, by deleting "*the arts*"; and

on page 70, line 20, by deleting "*depart-*"; and

on page 70, line 21, by deleting "*ment of the arts*"; and, by inserting in lieu thereof "*heritage division*"; and

on page 71, line 25, by deleting "*department of the arts*", and inserting in lieu thereof "*heritage division*"; and

on page 71, line 26, by deleting "*department*" and inserting in lieu thereof "*division*"; and

on page 72, line 10, by deleting the word "*department*" and inserting in lieu thereof "division"; and

on page 72, line 22, by deleting "*, department of the arts*".

on page 84, by deleting lines 21 through 26 in their entirety; and

by deleting pages 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109 and 110 in their entirety; and

on page 111, by deleting lines 1 through 24 in their entirety; and

on page 113, by deleting line 16 in its entirety; and by renumbering remaining sections accordingly.

on page 4, by deleting lines 13 through 26 in their entirety; and

on page 5, by deleting lines 1 through 21 in their entirety; and by renumbering all subsequent section numbers to conform.

Representative LeMaster moved that the House refuse to concur in Senate Amendment No. 1 to **HB 785.** Agreed.

Representative LeMaster moved that the House concur in Senate Amendment No. 2 to **HB 785.** Agreed.

Representative LeMaster moved that the House concur in Senate Amendment No. 3 to **HB 785.** Agreed.

HB 724, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 724** is as follows:

Amend printed copy of **HB 724** as follows: on page 1, after line 16, by inserting the following:

"1981-1982..$409,000";

and on page 1, line 17, by changing "$1,943,789" to "$3,082,589";

and on page 2, line 1, by changing "$1,593,491" to "$2,635,291";

and on page 3, after line 12, by inserting the following:

"1981-1982..$409,000";

and on page 3, line 13, by changing "$4,153,489" to "$5,292,289";

and on page 3, line 14, by changing "$6,401,191" to "$7,442,991";

and on page 3, after line 21, by inserting the following:

"1981-1982..$409,000";

and on page 3, line 22, by changing "$11,168,818" to "$12,307,618";

and on page 3, line 23, by changing "$14,009,783" to "$15,051,583".

Representative LeMaster moved that the House concur in Senate Amendment No. 1 to **HB 724.** Agreed.

Representative LeMaster moved that **HB 724,** as amended by the Senate, be passed.

On the roll call the vote was yeas 65-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kidd, Lefevers, Lile, Little, Maggard, McBee, Meyer, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Rapier, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Williams. Nays 5-Caldwell, Freibert, Nett, Patrick, Todd.

HB 724, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 724,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 162, SB 231, SB 248, SB 256, SB 273, SB 284, SB 289, SB 353, SB 366, SB 372, SB 383, SB 385, SB 396,** and **SB 397** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 4:30 p.m.)

Orders of the Day (continued)

HB 746, with Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendments Nos. 1, 3, 4, and 5 to **HB 746** are as follows:

Amend printed copy of **HB 746** as follows: on page 16, beginning on line 13 by deleting subsection (6) in its entirety and inserting in lieu thereof:

"(6) *"Discharge for misconduct" as used in this section shall include but not be limited to separation initiated by an employer for falsification of an employment application to obtain employment through subterfuge; knowing violation of a reasonable and uniformly enforced rule of an employer; unsatisfactory attendance if the worker cannot show good cause for absences of tardiness; damaging the employer's property through gross negligence; refusing to obey reasonable instructions; reporting to work under the influence of alcohol or drugs or consuming alcohol or drugs on employer's premises during working hours; conduct endangering safety of self or co-workers; and incarceration in jail following conviction of a misdemeanor or felony by a court of competent jurisdiction, which results in missing at least five (5) days work.*"

and on page 22, after line 8, by adding the following new section and by renumbering the subsequent section accordingly:

Section 7. KRS 341.415 is amended to read as follows:

(1) Any person who has received any sum as benefits under this chapter while any condition for the receipt of such benefits was not fulfilled in his case, or while he was disqualified from receiving benefits, shall, in the discretion of the secretary, either have such sum deducted from any future benefits payable to him under this chapter or repay the department for the fund a sum equal to the amount so received by him. If after due notice the recipient of such sum fails to remit or arrange for remittance of the sum, the sum may be collected in the manner provided in subsection (2) of KRS 341.300 for collection of past due contributions and any sums so collected shall be credited to the pooled account. *Unless there has been a false statement, misrepresentation, or concealment of material information, by a recipient of benefits, there shall be no recoupment or recovery of an improperly paid benefit if the benefit was paid as a result of departmental error.*

(2) At or after the commencement of an action under subsection (1) of this section attachment may be had against property of the recipient of improperly paid benefits in the manner provided in subsection (3) of KRS 341.300.

(3) A lien on a parity with state, county, and municipal ad valorem tax liens, is hereby created in favor of the department upon all property of any recipient of improperly paid benefits. This lien shall be for a sum equal to the amount of the overpayment finally determined. The lien shall commence from such time as the recipient has exhausted or abandoned the appeal procedure set forth in this chapter and the amount of the overpayment is finally fixed. A notice of lien may be filed in the same manner as that provided for in KRS 341.310.

(4) Any amount paid to a person as benefits, which he has been found liable to repay or to have deducted from future benefits under subsections (1), (2) and (3) of this section, which has neither been repaid nor so deducted within a period of five (5) years following the last day of the benefit year within which it was paid, may be deemed to be uncollectible and shall be permanently charged to the pooled account, except that if such payment was made by reason of fraudulent representations, no future benefits shall be paid such person within a period of ten (10) years of the last day of the benefit year within which such payments were made at which time these amounts may be declared uncollectible. Nothing in this subsection shall be deemed to affect collection of improperly paid benefits pursuant to a judgment or other legal remedy.

on page 12, after line 18, by inserting the following new Section 3 and renumbering the subsequent sections accordingly:

Section 3. KRS 341.281 is amended to read as follows:

(1) Each nonprofit organization that has elected to make payments in lieu of contributions under KRS 341.275 shall pay to the department for the fund the amount of regular benefits plus the amount of one-half (½) of extended benefits paid that are attributable to service performed in covered employment in the employ of such nonprofit employer. Each governmental entity that has elected to make payments in lieu of contributions under the provisions of KRS 341.277 shall pay to the department for the fund the amount of all regular benefits plus all extended benefits paid for compensable weeks occurring after January 1, 1979 attributable to service performed in covered employment. [~~If benefits paid to an individual are based on wages paid by more than one employer and one or more of such employers are liable for payments in lieu of contributions, the amount payable to the fund by each employer that is liable for such payments shall be determined in accordance with the provisions of subsections (2) or (3) of this section.~~

~~(2) If benefits paid to an individual are based on wages paid by one or more employers that are liable for payments in lieu of contributions and on wages paid by one or more employers who are liable for contributions, the amount of benefits payable by each employer that is liable for payments in lieu of contributions shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by such employer bear to the total base-period wages paid to the individual by all of his base-period employers.~~

~~(3) If benefits paid to an individual are based on wages paid by two (2) or more employers that are liable for payments in lieu of contributions, the amount of benefits payable by each such employer shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by such employer bear to the total base-period wages paid to the individual by all of his base-period employers.~~

~~(4)~~] Two (2) or more employers that have become liable for payments in lieu of contributions, in accordance with the provisions of KRS 341.275, may file a joint application to the secretary for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this subsection. Upon his approval of the application, the secretary shall establish a group account for such employers effective as of the beginning of the calendar quarter in which he receives the application and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the secretary or upon application by the group. Upon establishment of the account, each member of the group shall be jointly and severally liable for payment to the fund in lieu of contributions with respect to each calendar quarter in an amount equal to the total benefits paid in such quarter that are attributable to service performed in the employ of any or all members of the group. The secretary shall prescribe such procedures as he deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this subsection, for addition of new members to, and withdrawal of active members from, such accounts, and for the determination of the amounts that are payable under this subsection and the time and manner of such payments.

(3)[~~(5)~~] Two (2) or more governmental entities that have become liable for payment in lieu of contributions, in accordance with the provisions of KRS 341.277, may file a joint application to the secretary for the establishment of a group account of governmental entities subject to all of the provisions of subsection *(2)* [~~(4)~~] of this section.

on page 14, line 14, after the "," by inserting the following: "*or from any work which occurred after the first day of the workers' base period and which last preceded his most recent work,*"

on page 14, line 18, after the word "work" by inserting the following: "*or any other suitable work which occurred after the first day of the workers' base period and which last preceded his most recent work*"

on page 16, line 19, by inserting new subsection (7) as follows:

"*(7) "Duration of any period of unemployment," as that term is used in this section, shall be the period of time beginning with the worker's discharge, voluntary quitting, or failure to apply for or accept suitable work and running until such worker has worked in each of ten (10) weeks, whether or not consecutive, and has earned ten (10) times his weekly benefit rate in employment covered under the provisions of this Act or a similar law of another state or of the United States.*"

on page 19, lines 2 through 12, after the word "charged" by bracketing and striking through the following: "proportionately against the accounts of those of his subject employers from whom he has base-period wages. The proportion so used shall be that ratio which is obtained by dividing the base-period wages of a worker received from such employer by the total base-period wages and previously uncovered wages, as defined in KRS 341.092, of such worker, provided, however, that the division may, when necessary, make such fractional adjustments in such computation as may be required to assure mathematical compliance with this provision" and inserting in lieu thereof: "*against the reserve account of his most recent employer. No employer shall be deemed to be the most recent employer unless the eligible worker to whom benefits were paid shall have been in the employ of such employer for at least thirty (30) days whether or not consecutive.*"

on page 20, line 2, after the word "was" by inserting the following: "*in the employ of such employer for less than thirty (30) days whether or not consecutive, or*"

on page 22, after line 8, by inserting the following new section and by renumbering the following section accordingly:

SECTION 7. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO READ AS FOLLOWS:

It shall be the responsibility of the secretary to annually update and maintain the unemployment insurance Mercer Computerized Model and to make this model available to the legislative research commission through the computer facilities of the commission.

Representative Gray moved that the House concur in Senate Amendment No. 1 to **HB 746.** Agreed.

Representative Gray moved that the House concur in Senate Amendment No. 4 to **HB 746.** Agreed.

Representative Gray moved that the House concur in Senate Amendment No. 5 to **HB 746.**

Representative Gray moved that the House concur in Senate Amendment No. 3 to **HB 746.** Agreed.

On the roll call the vote was yeas 60-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Clapp, Clark, Clarke, Cowan, Craddock, Cyrus, Donnermeyer, Dunn, Foster, Freibert, Gray, Guenthner, Haering, Handy, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, Little, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Nett, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, White, Williams. Nays 30-Allen, Arnold, Burnette, Caldwell, Cline, Crupper, Dawahare, Deskins, Ellington, Endicott, Farrow, Ford, Fryman, Hancock, Harper, Head, Layman, Lefevers, List, Maggard, Moore, Morris, Overstreet, Patrick, P. Richardson, Robinson, Thomason, Todd, Turner, Worthington.

Senate Amendment No. 3 to **HB 746** was adopted.

Representative Gray moved that **HB 746,** as amended by the Senate, be passed.

On the roll call the vote was yeas 66-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Craddock, Crupper, Curd, Donnermeyer, Dunn, Farrow, Foster, Freibert, Gray, Guenthner, Haering, Hancock, Handy, Harper, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, LeMaster, Lile, Little, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Tobin, Van Horn, White, Williams. Nays 16-Dawahare, Deskins, Ellington, Endicott, Ford, Head, Layman, Lefevers, Morris, Overstreet, Patrick, Rattliff, Robinson, Todd, Turner, Worthington.

HB 746, as amended by the Senate, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 746,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the House refuse to recede from its Amendments to **SB 144.** Agreed.

Representative LeMaster moved that the House refuse to recede from Floor Amendment No. 1 to **SB 190.** Agreed.

Representative LeMaster moved that the House refuse to recede from its Amendments to **SB 279.** Agreed.

Recess

Representative LeMaster moved that the House recess until 6:00 p.m. Agreed.

At the appointed hour, the Speaker assumed the Chair and called the House to order.

Orders of the Day (continued)

Representative Little filed the Conference Committee Report on **HB 26** and requested a Free Conference Committee be appointed to consist of the same members. Agreed.

Representative Petty filed the Conference Committee Report on **HB 308** and requested a Free Conference Committee be appointed to consist of the same members. Agreed.

Representative Richards filed the following Conference Committee Report on **HB 429:**

CONFERENCE COMMITTEE REPORT

MEMORANDUM

TO: Chief Clerk, House of Representatives

DATE: March 30, 1982

TIME: 4:15 p.m.

ROOM: 327

SUBJECT: **HB 429**

The Conference Committee on **HB 429** concurred in accepting Senate Amendments #1 and 2 and in deleting Senate Amendment #3.

Signed by: Senators Daniel J. Meyer, Charles W. Berger; Representatives Jody Richards, Marshall Long and Louis Johnson.

Representative Richards moved that the Conference Committee Report on **HB 429** be accepted. Agreed.

Representative Richards moved that **HB 429,** as amended by the Conference Committee Report, be passed.

On the roll call the vote was yeas 71-Barrows, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Maggard, Mann, McBee, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Worthington. Nays 3-Ford, Noland, Robinson.

HB 429, as amended by the Conference Committee Report, was passed.

Representative Richards moved that the vote by which **HB 429,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Hines filed the following Conference Committee Report on **HB 77:**

CONFERENCE COMMITTEE REPORT

MEMORANDUM

TO: Chief Clerk, House of Representatives

DATE: March 30, 1982

TIME: 4:15 p.m.

ROOM: 324

SUBJECT: **HB 77**

The Conference Committee on **HB 77** agrees to retain the amendment as approved by the Senate to change the word "may" to "shall" on page 2, line 18.

Signed by: Senators Joe Lane Travis, Robert R. Martin, John Rogers; Representatives Carl R. Hines, Sr., Terry L. Mann and Bill Lile.

Representative Hines moved that **HB 77,** as amended by the Conference Committee Report, be passed.

On the roll call the vote was yeas 69-Barrows, Bendl, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Caldwell, Clapp, Clark, Cowan, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, Long, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Todd, Turner, Worthington. Nays 0.

HB 77, as amended by the Conference Committee Report, was passed.

Representative Hines moved that the vote by which **HB 77,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the House refuse to recede from the House Amendment to **SB 348.** Agreed.

Representative LeMaster moved that the House recede in its Amendments to **SB 180.** Agreed.

The following Conference Committee was appointed on **SB 144:** Representative Deskins, Chairman; Representative Blandford, Representative Stumbo.

The following Conference Committee was appointed on **SB 190:** Representative Rattliff, Chairman; Representative Little, Representative McBee.

The following Conference Committee was appointed on **SB 279:** Representative Dunn, Chairman; Representative List, Representative Worthington.

The following Conference Committee was appointed on **HB 649:** Representative Thomason, Chairman; Representative Noe, Representative Moberly.

The following Conference Committee was appointed on **HB 525:** Representative Priddy, Chairman; Representative Schmidt, Representative Cline.

The following Budget Conference Committee was appointed: Representative R. Jones, Chairman; Representatives Hancock, Morris, Nett, and Craddock.

Representative Schmidt moved that the vote on **SB 180** be reconsidered. Agreed.

Representative Schmidt moved that **SB 180,** without the House Amendments, be passed.

On the roll call the vote was yeas 65-Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Burch, Burnette, Caldwell, Clarke, Cowan, Craddock, Crupper, Curd, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Gray, Guenthner, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Nett, Noe, Noland, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, Riner, Schmidt, Seum, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Turner, White. Nays 6-Allen, Endicott, Layman, Patrick, Pearman, Robinson.

SB 180, without the House Amendments, was passed and the title agreed to.

Representative Schmidt moved that the vote by which **SB 180** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 119, by Representative Brinkley: A RESOLUTION honoring Jane Johnson.

Representative Brinkley moved the adoption of the following **HR 119:**

HR 119, A RESOLUTION honoring Jane Johnson.

WHEREAS, Jane Johnson of the Legislative Research Commission staff is known for finishing what she starts; and

WHEREAS, Jane very nearly completed serving the General Assembly during its 1982 Regular Session before illness forced her premature withdrawal from such service; and

WHEREAS, Jane is sorely missed at the LRC director's office for her lightning fast typing, her ready reference central filing system and especially for her knowledge and information concerning people and events surrounding the General Assembly; and

WHEREAS, the candy jar's supply has dwindled, Donald has grown dusty, and the entire Capitol third floor is diminished at the loss of Jane's presence;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Jane Johnson be and she is hereby accorded the best wishes of the House of Representatives for a speedy recovery from her illness and a prompt return to her post in the office of the Director of the Legislative Research Commission.

HR 119 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended for consideration of Legislative Citations. Agreed.

Representative Foster moved the adoption of Legislative Citation No. 84. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Auburn High School "Lady Tigerettes" Girls' Basketball Team and your fine coach, Tim Owens, as the winner of the Thirteenth District over Olmstead High School that qualified you for participation in the Fourth Regional Basketball Tournament. We commend you on advancing to the Semi-finals of the Fourth Region and your season record of 24-5. Your great team effort and competitive spirit has bestowed honor on your school and community. (Sponsored by Representative Foster)

Representative Foster moved the adoption of Legislative Citation No. 85. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Auburn High School "Tigers" Boys' Basketball Team and your fine coach, Barry Reed, as the winner of the Thirteenth District over Russellville qualifying you for participation in the Fourth Regional Tournament. We commend you on your fine record of 24-3 and for your competitive spirit, hard work and school loyalty. Your performance has bestowed honor on your school and community. (Sponsored by Representative Foster)

Representative Worthington moved the adoption of Legislative Citation No. 104. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Allen Feldhaus, coach of the Mason County "Royals" Basketball Team, for outstanding leadership that has brought unsurpassed honor and recognition to you and your team. Your qualities of leadership and good citizenship along with your coaching ability have been doubly honored. You have been selected by sportswriters and broadcasters as "Coach of the Year" and two successive years one of your players has been the recipient of the Ted Sanford Award which encompasses sportsmanship, citizenship and academic achievement along with basketball ability. You have compiled an enviable record in your seven seasons at Mason County culminated by an undefeated 1981-82 seasonal 30-0 record that took your team to the state tournament for the second consecutive year. This honorable body salutes you for your magnanimous contributions toward the development of the future leaders of our Commonwealth and we extend our best wishes for success in your future endeavors. (Sponsored by Representative Worthington)

Representative Arnold moved the adoption of Legislative Citation No. 94. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates William W. Power for your twenty-eight years of service as Mayor of Carlisle, Kentucky, which produced unsurpassed development and growth to your city. Your leadership brought a new water and sewer system to Carlisle and overall development consummated by the designation as All Kentucky City three times — 1970, 1977 and 1980. In addition to your official duties, you have served as commander of the Carlisle Veterans of Foreign Wars, as District Commander and as organizer of the First Blackberry Festival. This renowned body salutes your dedication to duty as an elected official and your continued exhibition of civic pride. (Sponsored by Representative Arnold)

Representative Arnold moved the adoption of Legislative Citation No. 95. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Robert W. Gilmore for your indefatigable service to the City of Owingsville. First elected to public office in 1945, you served with such distinction as City Councilman, you were chosen to fill the Mayoral vacancy in 1957, which led to your election to this highest office, culminating in a total of thirty-six years of public service. This august body proudly salutes you as the epitome of elected public officials. (Sponsored by Representative Arnold)

Representative Moore moved the adoption of Legislative Citation No. 92. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Leslie County High School "Eagles" Boys' Basketball Team and their fine coach, Ronnie Stidham, as the first time winner of the Fifty-fourth District Tournament and qualified you for participation in the Fourteenth Regional Tournament advancing to runner-up. We commend you for your team effort, school loyalty and high level of competition. Your performance has bestowed pride on your school and community. We extend our best wishes for continued success in your future endeavors. (Sponsored by Representative Moore)

Representative Moore moved the adoption of Legislative Citation No. 93. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Owsley County High School "Owls" Boys' Basketball Team and their fine coach, Charlie Turner, as the winner of the Fifty-sixth District which qualified you for participation in the Fourteenth Regional Tournament advancing to the Semi-finals. We commend you for your team effort and high level of competition. Your performance is a great tribute to your school and community. We extend best wishes for continued success in the future. (Sponsored by Representative Moore)

Representative Overstreet moved the adoption of Legislative Citation No. 108. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Harry S. Taylor, Cynthiana, Kentucky, an honorable member of the Benevolent and Protective Order of Elks for sixty years. You have brought great prestige to the Elk Lodge by your distinguished service as Chaplain, you have reflected a benevolent spirit and a Christian attitude in your great concern for others, serving at meetings, funerals, initiations and banquets. Your leadership and dedication are exemplified through the multiple programs and projects, organizations and agencies that you support. As you recognize youth through your scholarship projects, you help establish moral and responsible American citizens so vital to our democracy. This renowned body acknowledges with praise your civic pride and altruistic endeavors. (Sponsored by Representative Deskins)

Representative Gray moved the adoption of Legislative Citation No. 100. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Laura Elizabeth Lewis for your service as a Constitutional Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative J. R. Gray in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Gray)

Representative Turner moved the adoption of Legislative Citation No. 105. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Paul Carter, a distinguished former member of this body during the 1948 session. You have served the people of the Commonwealth in elective offices for more than fifty years. As a champion of law and order you served both as County Attorney and Commonwealth Attorney, representing the Judicial District of Casey, Cumberland, Monroe and Adair Counties. In these prosecutorial roles you have amassed a record of fairness, dedication to the right, and conscientiousness that places you in the highest esteem of barristers throughout Kentucky. Your services and contributions to Tompkinsville Baptist Church have been most inspirational. This auspicious body salutes your achievements and your enviable record of service to your fellowman. (Sponsored by Representative Turner)

Representative Farrow moved the adoption of Legislative Citation No. 99. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Walter Douglas Crowe II, for your service as a Full-time Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative Mark Farrow in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Farrow)

Representative Hancock moved the adoption of Legislative Citation No. 101. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Charles Eric Jones for your service as a Constitutional Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative C. M. "Hank" Hancock, in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Hancock)

Representative Thomason moved the adoption of Legislative Citation No. 96. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes with ardent appreciation Edward Cowherd, for your excellent services in preparation of one of the most vital governmental instruments — the Legislative Record. Your self sacrifices, self-denial are well demonstrated in your loyalty and dedication in going the extra miles of service. Your willingness to respond at any hour, to toil (while others sleep) to produce this document so vital to the efficiency of the legislative process. We are grateful beneficiaries of your contributions that will be enshrined in the history of our Commonwealth. Your retirement will always be enhanced in the legacy that is a model for future generations. This auspicious body honors you today as you retire and we are sincerely grateful to you and extends to you and your family our best wishes for health and lasting happiness. (Sponsored by Representative Thomason)

Representative Hines moved the adoption of Legislative Citation No. 106. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Barbara Curry for your laudable and well-deserved recognition as "Citizen of the Year." Certainly, your excellent contributions to government, education, civic affairs and the welfare of mankind are noteworthy and very rewarding. We have been the beneficiaries of your dedication, competency, perseverance and devotion to duty. You have served with great distinction in the offices of the Governor of the Commonwealth of Kentucky and the Mayor of the great City of Lexington. Your compassionate spirit, your philanthropic attitude, your genuine and loving friendship, your self-denials and self-sacrifices, spending long hours of tireless efforts, always willing to go the extra mile, always finding the time to listen to the multiple problems of others and very discreetly offer encouraging solutions, truly has earned for you "Citizen of the Century." God has blessed you with a very talented and excellent son, Sean, whose academic accomplishments are inspiring to our youth. Your colleagues have honored you with this prestigious award "Citizen of the Year," and this auspicious body is very proud of you and we extend our best wishes for continued success. (Sponsored by Representative Williams)

Representative Long moved the adoption of Legislative Citation No. 102. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Wesley Penn for your service as a Full-time Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative Marshall Long in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Long)

Representative Moberly moved the adoption of Legislative Citation No. 103. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Gregory Stuart Hendricks for your service as a Constitutional Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative Harry Moberly, Jr., in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Moberly)

Representative Lundergan moved the adoption of Legislative Citation No. 97. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Mr. Clyde T. Barbour, Maysville, Kentucky, a most incredible benefactor and genuine businessman, for your outstanding manifestation of civic pride. Your achievements as a business leader, building from a single supermarket to four supermarkets, two flower shops, a tobacco warehouse and a nursery are surpassed only by your constant contributions of time and money to the community. A recipient of six awards for community service, your support of the Mason County Royals Basketball Team and their fans epitomizes you continuing effort to bring recognition and acclaim to every community endeavor. The phenomenal record that you have made, exemplifying the sharing of your earnings continuously with your fellowman is the Christian spirit and it provides great motivation realizing that you were a self-made man toiling diligently and tirelessly to success. Your generosity has no boundary and you are very exceptional in this great attribute. This renowned body salutes you for your distinguished business achievements and your inexhaustible determination to bring acknowledgement to your community and the Commonwealth. (Sponsored by Representative Lundergan)

Representative Bruce moved the adoption of Legislative Citation No. 98. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Sara Dixon Chewning for your services as a Constitutional Page during the 1982 session of the Kentucky General Assembly. You have flawlessly performed the duties assigned to you, exhibiting dependability, accuracy and maturity. As you traversed these hallowed halls performing duties for the legislative offices and leadership, you exhibited a sense of responsibility and an appreciation of the honor accorded you by Representative James E. Bruce in nominating you for this position. This esteemed body wishes you well in all your future endeavors. (Sponsored by Representative Bruce)

Representative Gray moved the adoption of Legislative Citation No. 87. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Marshall County Central High School Varsity Girls' Cheerleaders for winning first place at the Girls' "Sweet 16" Tournament, on Saturday, March 20, 1982, at Eastern Kentucky University Coliseum, Richmond. Led by your coaches, Debbie Russell and Dianna Lee, you brought forth the enthusiasm of your school's loyal fans that inspired your team to achieve the ultimate victory, The State Championship. This prestigious body commends your accomplishments and extends best wishes for future success to all the team members:

Jana Whetsell
Annie Clayton
Kristi Aldridge
Missy Daws
Jill Lewis
Joele Tynes
Jammilyn Young
Dee Dee Miller

(Sponsored by Representative Gray)

Representative Gray moved the adoption of Legislative Citation No. 88. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the "Lady Marshals" Girls' Basketball Team, winner of the "Sweet 16" State Tournament March 17-20, 1982, Eastern State University Coliseum, Richmond, Kentucky. We salute you for the representation of pride in your school, good sportsmanship, competitive spirit and dignity you have bestowed on your school This prestigious body extends best wishes for future success to all the team members:

Shawna Smith
Lisa Jarrett
Kelly Chambers
Staci Dick
Gaye Heikkinen
Mitzi Birdsong
Kim Crowell
Maggie Yopp
Laura Seay
Tina Payne
Penny Barrett
Carol Parker

(Sponsored by Representative Gray)

Representative Gray moved the adoption of Legislative Citation No. 89. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Coach Howard Beth and staff for your outstanding season as coach of the "Lady Marshals" Girls' Basketball Team of Marshall County Central High School, Benton, Kentucky. Your unique ability to mold a group of youngsters and veterans into a solid unit capable fo performing at top efficiency is epitomized by your capturing the ultimate dream and goal of the "Championship Title" of the "Sweet 16" State Tournament held March 17-20, 1982 at Eastern State University Coliseum, Richmond, Kentucky. Your dedication, perseverance and leadership is most noteworthy and a great tribute to you, your school, community and the Commonwealth of Kentucky. This prestigious body applauds you and extends our best wishes for your continued success. (Sponsored by Representative Gray)

Representative Gray moved the adoption of Legislative Citation No. 90. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates the Marshall County Central High School "Lady Marshals" Basketball Team and your excellent coach Howard Beth, and assistant coach, Dianne Woolfolk, for your spectacular championship victory over the Louisville Mercy Academy "Missiles" 48-44 in the Girls' "Sweet 16" State Tournament, March 20, 1982 at Eastern State University Coliseum, Richmond, Kentucky. Your superb record 33-3 reflects hard work, school loyalty and a competitive spirit. We are proud that you have captured the esteemed title of 1981-82 "State Champions" by hard-earned victories in district, regional and state tournament games that led to this highest crown. This is indicative of your fine ambition, positive team effort and a most complimentary athletic and sportsmanship accomplishment. You have bestowed honor upon your school, community and the Commonwealth of Kentucky. This prestigious body applauds and salutes you and extends best wishes for success in the future. (Sponsored by Representative Gray)

Representative Gray moved the adoption of Legislative Citation No. 91. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Lisa Jarrett, daughter of Roger and Pat Jarrett, and a senior at Marshall County Central High School and the recipient of the J. B. Mansfield award inaugurated by the Courier Journal. It is encouraging to note your academic achievement, excellent citizenship and basketball ability groomed with the finest of sportsmanship. One of the highest honors is to be able to maintain a 3.7 average in academic performance as you gain highest honors in athletics. Your performance in the 1981-82 Girls' "Sweet 16" State Tournament has bestowed great honor and pride on your family, school, community and the Commonwealth of Kentucky. This prestigious body applauds you on this memorable occasion and extend our very best wishes for success in your future endeavors. (Sponsored by Representative Gray)

Representative Lundergan moved the adoption of Legislative Citation No. 107. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Bob Barlow, the superb coach of the Bryan Station High School Boys' Basketball Team on your outstanding twenty-six years of service in the coaching profession, with fourteen very successful years at Bryan Station High School. Your nineteen trips to the Regional Tournaments, twelve times advancing to the finals, and five trips to the "Sweet Sixteen" State Tournaments reflects your hard work, school loyalty and competitive spirit. Your four-time winner of the Fayette Invitational Tournament and two-time winner of the LIT (Louisville Invitational Tournament) is most noteworthy and commendable. Your coaching aptitude and knowledge of the game is exemplified in being ranked number one in the state for the 1981-82 season and winning your District and Regional Tournaments, qualifying you for participation in the "Sweet Sixteen" State Tournament. The honor of being selected "Coach of the Year" ten times has been bestowed on you by numerous organizations such as the Courier Journal, the High School Coaches Association, the United Press and others. Your retirement will be enhanced in the legacy that is a model for future coaches. We extend to you our very best wishes for health and happiness in your future endeavors. (Sponsored by Representative Lundergan)

Representative Ford moved the adoption of Legislative Citation No. 109. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Lee Steel Corporation for your contributions to the development and economic stability of Harlan County. Your establishment of a major industry in the community has not only enhanced the business climate, but has enriched the lives of all by creating an atmosphere of progress and financial security. This honorable body salutes your investment in the future of this Commonwealth and wishes for you growth and success in your endeavor. (Sponsored by Representative Ford)

Representative Ford moved the adoption of Legislative Citation No. 110. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Rockcastle Manufacturing, Incorporated, for your contributions to the development and economic stability of Rockcastle County. Your establishment of a major industry in the community has not only enhanced the business climate, but has enriched the lives of all by creating an atmosphere of progress and financial security. This honorable body salutes your investment in the future of this Commonwealth and wishes for you growth and success in your endeavor. (Sponsored by Representative Ford)

Representative Ford moved the adoption of Legislative Citation No. 111. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Mt. Vernon Plastics Corporation for your contributions to the development and economic stability of Rockcastle County. Your establishment of a major industry in the community has not only enhanced the business climate, but has enriched the lives of all by creating an atmosphere of progress and financial security. This honorable body salutes your investment in the future of this Commonwealth and wishes for you growth and success in your endeavor. (Sponsored by Representative Ford)

Representative Ford moved the adoption of Legislative Citation No. 112. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Rockcastle Improvement Council for your efforts on behalf of business and industry in Rockcastle County. Your endeavors to bring about economic growth have resulted in the establishment of new industry, the expansion of existing industry and business, and the general economic development of your county. Your dedication to the production of a sound financial basis for your community will bring forth benefits for generations to come. This auspicious body salutes your persistence and the progress it has produced for the betterment of all the Commonwealth. (Sponsored by Representative Ford)

Representative Boswell moved the adoption of Legislative Citation No. 113. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends and congratulates The Union County High School Wrestling Team for outstanding achievement in the 1982 Season, culminating in the highest achievement in our state, *The State Championship*. Coach Mike Thomas, and his Assistant Coach Freddie Byrd, are recognized for a season of great accomplishment. Special acclaim is due the following young men for the victories in the State Meet:

Danny Lovell, Champion, (105 lbs.)
James Smith, Champion, (112 lbs.)

Robert Ervin, Champion, (119 lbs.)
Neil Wilson, Placed Second, (167 lbs.)
Devon Smith, Placed Second, (185 lbs.)
Clarence Smith, Placed Third, (138 lbs.)

Representative David Boswell and all of his associated concur in recognizing this Team of Champions. (Sponsored by Representative Boswell)

Senate Message

SB 234 returned with the following message: The Senate has refused to concur in House Amendments to **SB 234** and respectfully returns it with the request that this Honorable Body recede from the Amendments and appoint a conference committee.

HB 77 with the following message: The Senate has concurred in the Conference Report on **HB 77** which accepts the Senate Amendment previously sent to this Body.

HB 429 with the following message: The Senate has accepted the Conference Committee Report on **HB 429** and is informing this Honorable Body of that action in order that the Senate Amendments 1 and 2 may be adopted and the bill enrolled.

HB 571 with message that Senate refused to recede from its Amendments and requests Conference Committee. Senate Conference Committee appointed: Senators Moloney, O'Daniel, Hughes, Hays, Bunning.

HB 525 with message that Senate refused to recede from its Amendments and requests Conference Committee. Senate Conference Committee appointed: Senators Wright, Quinlan, Trevey.

HB 475 with message that Senate refused to recede from its Amendments and requests Conference Committee. Senate Conference Committee appointed: Senators Moloney, O'Daniel, Hughes, Hays, Bunning.

HB 378 with message that Senate refused to recede from its Amendment and requests Conference Committee. Senate Conference Committee appointed: Senators Ford, Rogers, McGee.

HB 295 with message that Senate refused to recede from its Amendments and requests Conference Committee. Senate Conference Committee appointed: Senators Moloney, O'Daniel, Hughes, Hays, Bunning.

HB 308: The Senate has appointed the following members to serve on a Free Conference Committee: Senators Murphy, Lackey, McGee.

The following Conference Committees were appointed:

HB 571: Representative O'Brien, Chairman; Representatives Bronger, Donnermeyer, Rapier, Clarke.

HB 475: Representative Thomason, Chairman; Representatives Long, Holbrook, T. Jones, Overstreet.

SB 234: Representative Foster, Chairman; Representatives Arnold, P. Richardson.

Representative LeMaster moved that all Bills and Resolutions remaining in Orders of the Day be deferred and that they retain their position. Agreed.

Motions, Petitions, and Communications

The following Floor Amendments were filed to Bills and Resolutions:

Floor Title Amendment No. 1 to **SB 223**, by Representative Van Horn:

Amend printed copy of **SB 223**, page 1, title, after the word "credit" by inserting the words "and coon dogs".

Floor Title Amendment No. 2 to **SB 223**, by Representative Todd:

Amend printed copy of **SB 223,** page 1, title, by deleting "extension of credit" and inserting in lieu thereof "governmental control of private freedoms".

Floor Amendment No. 9 to **SB 223,** by Representative Bruce:

Amend printed copy of **SB 223,** page 19, after line 21, by adding the following:

SECTION 7. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Bank" means any institution organized under this chapter or the National Bank Act, as amended, to do a banking business, and having its principal place of business in this state; provided, however, it shall not include an "interim bank" chartered solely for the purpose of facilitating the acquisition of an existing bank.

(b) "Bank holding company," "company" and "control" have the meanings accorded them in the Federal Bank Holding Company Act of 1956, as amended.

(c) "Deposit" has the meaning accorded it in the Federal Deposit Insurance Act, as amended, and regulations promulgated thereunder; excluded, however, from deposits are all interbank deposits and all deposits in foreign branches and international banking facilities, as shown in the reports made by all banks to their respective supervisory authorities.

(2) Any bank holding company with its principal place of business in this state may acquire control of any other bank or bank holding company, except any bank holding company may not acquire control of any of the shares of another bank or bank holding company which has been in existence less than five (5) years at the time of such acquisition and which was chartered after January 31, 1982.

(3) No bank holding company may acquire control of any other bank or bank holding company if, upon such acquisition, such bank holding company would control banks holding more than twenty percent (20%) of the total deposits in all banks in Kentucky, as reported in the most recent year-end reports made by such banks to their respective supervisory authorities which are available at the time of such acquisition.

(4) No bank holding company may, directly or indirectly by merger, consolidate, purchase or any other means, acquire control of a bank or bank holding company if as a result thereof such bank holding company acquires control of more than three (3) banks during any twelve (12) month period.

(5) No persons as individuals or copartners shall engage in the business of private banking in this state.

(6) No banking institution incorporated under the laws of another state shall transact any banking business in this state except to lend money.

(7) No person who hereafter owns or acquires more than one-half (½) of the capital stock of a bank shall act as insurance agent or broker with respect to any insurance except credit life insurance, credit health insurance and insurance of the interest of the real property mortgagee in mortgaged property, other than title insurance; as used herein, "person" includes a natural person, partnership, corporation, association, business trust, voting trust, or similar organization.

(8) No bank incorporated under the laws of this state shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, except that a bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business; and stock so purchased or acquired shall, within six (6) months from the date of its purchase, be sold or disposed of at public or private sale. This subsection shall not affect or modify in any way KRS 386.025, but said section shall remain in full force and effect.

Section 8. KRS 287.990 is amended to read as follows:

(1) Any person who violates subsection *(5) of Section 1 of this Act* [~~(1) of KRS 287.030~~] shall be fined not less than twenty ($20.00) nor more than fifty dollars ($50.00) for each day he is engaged in the private banking business.

(2) Any institution that fails to make the report required by KRS 287.420 to the commissioner within five (5) days after the report is due or demanded, or that fails to have the report published as required by KRS 287.420, shall pay a penalty of two hundred dollars ($200) to be sued for and collected by the commissioner in the name of the state.

(3) If any person violates subsection (4) of KRS 287.440 his office shall ipso facto become vacant. The president or cashier of any bank or trust company to which any person becomes indebted in violation of subsection (4) of KRS 287.440 shall immediately report such fact to the commissioner of banking and securities, who shall remove the person so offending.

(4) Any receiver of an insolvent institution who fails to comply with the provisions of this chapter shall be subject to the same penalties provided for solvent institutions and officers so offending.

(5) Any directors of a bank who knowingly violate, or knowingly permit any officer or employe of the bank to violate, any of the laws relating to banks, shall be jointly and severally liable to the creditors and stockholders for any loss or damage resulting from such violation. If the loss or damage is not made good within a reasonable time, the commissioner, with the consent of the attorney general, shall institute proceedings to revoke the corporate powers of the bank.

(6) Any deputy commissioner or any examiner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who fails to immediately present a signed report of such facts to the commissioner, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than one hundred ($100) nor more than two thousand dollars ($2,000) for each offense.

(7) Any commissioner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who wilfully fails to take the action prescribed by this chapter, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than five hundred ($500) nor more than five thousand dollars ($5,000) for each offense.

(8) Any bank or trust company that knowingly fails to make a report required by law or by the commissioner within the time designated for the making thereof, or fails to include in such report any matter required by law or by the commissioner, or fails to publish a report within thirty (30) days after it should have been published, or fails to pay when due the fees for filing reports or for an examination of the bank, shall be subject to a penalty of twenty-five dollars ($25.00) for each day of delinquency, but the aggregate penalty for each kind of offense shall not exceed two hundred and fifty dollars ($250).

(9) Each person, bank or trust company that wilfully makes or transmits a false report or refuses to submit its books, papers and assets for examination, or any officer of a bank who refuses to be examined under oath concerning the affairs of the bank, shall be severally fined not less than one hundred ($100) nor more than five hundred dollars ($500).

(10) Whenever any penalty imposed by subsections (4), (6), (7), (8), or (9) is not paid, the attorney general shall institute an action, in the name of the state, in the Franklin Circuit Court or the circuit court of the county in which the offense was committed, for the recovery of the penalty.

(11) Any person violating any of the provisions of KRS 287.225 shall be guilty of a misdemeanor and fined not less than fifty dollars ($50.00) nor more than two thousand dollars ($2,000).

(12) Any person who willfully makes charges in excess of those permitted by KRS 287.710 to 287.770 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding five-hundred dollars ($500.00) or by imprisonment for not more than six (6) months, or both.

(13) Any bank which violates any provision of KRS 287.710 to 287.770, except as a result of an accidental or bona fide error shall be barred from the recovery of any finance charges permitted by KRS 287.740 and 287.750, and the debtor, or his legal representatives, may recover back, in an action against the bank, any amounts paid to the bank on account of such finance charge; provided such action is commenced within two (2) years from the date such violation first occurred; but the bank may nevertheless recover from the debtor an amount equal to the principal of extensions of credit made pursuant to a revolving credit plan and any charges not prohibited by KRS 287.760.

(14) Notwithstanding the provisions of subsections (12) and (13) of this section, any failure, other than a willful and intentional failure, to comply with any provisions of KRS 287.710 to 287.770 may be corrected during the billing cycle next succeeding the receipt by the bank of written notice thereof from the debtor, and if so corrected, the bank shall not be subject to any penalty under KRS 287.710 to 287.770.

Section 9. KRS 287.030, Limitation on right to engage in business and own stock, is repealed.

Section 10. This Act shall become effective July 1, 1983, or on such earlier date as interstate banking shall expressly be permitted by federal statutory law.

Floor Amendment No. 10 to **SB 223**, by Representative Van Horn:

Amend printed copy of **SB 223**, page 19, after line 21, by adding the following:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The coon hound is named and designated as the Kentucky state dog.

SECTION 8. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

Compliance with this Act shall not affect existing supplies of state promotional materials.

SECTION 9. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The state coon hound shall be officially referred to as "Old Blue.".

Floor Amendment No. 11 to **SB 223**, by Representative Williams:

Amend printed copy of **SB 223**, page 19, line 11, by adding the following language after the word "into": unless the purchase was for arma ignis purchased for retail consumption.

Floor Amendment No. 12 to **SB 223**, by Representative Todd:

Amend printed copy of **SB 223**, page 19, line 21, by inserting the following:

"Section 7. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) *Commonwealth attorneys, county attorneys, members of the General Assembly, and* peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(5) Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony."

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsor of Bills and Resolutions: Representative Haering, **HB 525**; Representative F. Smith, **HB 525**; Representative Thomas **HB 100, HB 139, HB 144, HB 181, HB 183, HB 190, HB 203, HB 210, HB 213, HB 215, HB 262**, and **HB 300**.

Representative List moved that the rules be suspended to act upon a Resolution. Agreed.

Representative List moved the adoption of the following **HR 114**:

HR 114, A RESOLUTION requesting the legislative research commission to appoint a subcommittee of the interim joint committee on elections and constitutional amendments to study the specificity and adequacy of current statutes relative to the contest of elections, campaign financing requirements, and political advertising requirements.

WHEREAS, recent campaign challenges have made apparent the need for more specific legislation relative to the conduct and the contest of elections;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the legislative research commission is requested to appoint a subcommittee of the interim joint committee on elections and constitutional amendments to study the specificity and adequacy of certain election statutes during the 1982-83 interim. Such study shall include but shall not be limited to statutes relative to the contest of elections, including the procedures to be used by a board selected to determine an election contest in a race for the General Assembly; campaign financing requirements; and political advertising requirements.

Section 2. The report of the subcommittee, including recommended statutory amendments and additions, shall be submitted to the interim joint committee on elections and constitutional amendments no later than July 1, 1983.

HR 114 was adopted by voice vote.

Representative Mann moved that the vote by which **HB 415** was defeated be reconsidered. Agreed.

Representative Mann moved that the vote on the Senate Committee Substitute to **HB 415** be reconsidered. Agreed.

Representative Mann moved that **HB 415** be returned to Orders of the Day. Agreed.

Representative Priddy moved that the vote by which **HB 336** was defeated be reconsidered and that it be placed in the Orders of the Day. Agreed.

Representative Bennett moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Bennett moved the adoption of the following **HR 107:**

HR 107, A RESOLUTION requesting the Legislative Research Commission to establish a subcommittee to study the problems of Vietnam veterans.

WHEREAS, American participants in the Vietnam conflict risked their lives in support of the principles of our democratic way of life; and

WHEREAS, many of these participants suffered extreme mental and physical hardships; and

WHEREAS, many of the veterans of the Vietnam conflict are experiencing problems associated with those hardships;

NOW, THEREFORE

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission be requested to appoint a bipartisan subcommittee to study the problems of the Vietnam veterans in the Commonwealth of Kentucky.

Section 2. That in conducting the study the subcommittee hold hearings statewide and that it report its findings and recommendations to the Legislative Research Commission not later than July 1, 1983.

Section 3. Staff services to be utilized in completing this study are estimated to cost $7,000. These services are to be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

HR 107 was adopted by voice vote.

The following members have requested to be recorded in the following manner: Representative Stone, "yea" on **SB 223;** Representative Riner, "nay" on **HB 503;** Representative Haering, "nay" on **HB 503;** Representative Cowan, "nay" on motion to table Floor Amendment No. 1 to **HB 223;** Representative Cyrus, "yea" on **HB 746.**

Adjournment

Representative LeMaster moved that the House adjourn until 9:00 a.m., Wednesday, March 31, 1982.

On the roll call the vote was yeas 44-Arnold, Blevins, Boswell, Bronger, Burch, Caldwell, Clark, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Gray, Haering, Head, Hines, Johnson, Lefevers, LeMaster, Lile, Little, McBee, McNutt, Moberly, Nett, Noe, Pearman, Petty, Priddy, Rapier, B. Rihcardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Worthington, Yates. Nays 8-Cowan, Endicott, Ford, Hancock, Holbrook, R. Jones, Overstreet, Schmidt.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 31, 1982

FIFTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Father J. Williamson Brown, Church of the Ascension, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Brinkley moved that the reading of the Journal of March 30, 1982, be dispensed with and the same approved. Agreed.

Senate Message

SB 144, SB 190, SB 279 returned with message that Senate refused to concur in House Amendments and requesting conference Committee be appointed. Conference Committee appointed in the Senate on these Bills.

HB 649 and **HB 785** returned with message that Senate refused to recede from its Amendments and requesting Conference Committees be appointed. Conference Committees appointed in Senate on these Bills.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 147, HB 148, HB 149, HB 215, HB 319, HB 320, HB 330, HB 345, HB 379, HB 383, HB 440, HB 477, HB 478, HB 513, HB 545, HB 566, HB 697, HB 744, HB 758, HB 768, HB 809**, and **HJR 62** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 9:30 a.m.)

HB 147, HB 148, HB 149, HB 215, HB 319, HB 320, HB 330, HB 345, HB 379, HB 383, HB 440, HB 477, HB 478, HB 513, HB 545, HB 566, HB 697, HB 744, HB 758, HB 768, HB 809, and **HJR 62** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

Representative LeMaster filed the Conference Committee Report on **SB 279** which stated the Conference Committee failed to reach agreement and requested a Free Conference Committee be appointed.

Representative LeMaster moved that the Conference Committee Report be accepted. Agreed.

The same members were appointed to serve on Free Conference Committee on **SB 279.**

Representative Little filed the Free Conference Committee Report on **HB 26.**

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

The free conference committee recommended that the attached version for **HB 26** be adopted.

Since we have recommended that the provisions of **HB 33** (which was included in **SB 190** by amendment) be included in **HB 26** (per attached), the Free Conference Committee recommends that the House recede from its amendment to **SB 190.**

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by Senators David Karem, Louis Peniston, Doug Mosely; Representatives Clayton Little, Herman Rattliff, Bill McBee.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: 3/30/82

Representative Little moved that the Free Conference Committee Report on **HB 26** be accepted. Agreed.

Representative Little moved that **HB 26,** as amended by the Free Conference Committee Committee Report, be passed.

Roll call on **HB 26,** as amended by the Free Conference Committee Report, showed 80 yeas - 0 nays.

HB 26, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Little moved that the vote by which **HB 26,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Little filed the Conference Committee Report on **SB 190** recommending that the House recede from the House Floor Amendment No. 1 to the House Committee Substitute to **SB 190.**

Representative Little moved that the Conference Committee Report on **SB 190** be accepted. Agreed.

Representative Little moved that **SB 190,** as amended by the Conference Committee Report, be passed.

Roll call on **SB 190,** as amended by the Conference Committee Report, showed 71-yeas - 1 nay.

SB 190, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative Little moved that the vote by which **SB 190,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 460, with Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Amendment No. 1 to **HB 460** is as follows:

SECTION 2. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context requires otherwise:

"Industrial machinery" means machinery manufactured in Kentucky directly used in manufacturing or processing which operations encompass all activities commencing with the receipt of the raw materials through the point at which the finished product is ready for sale and delivery to the purchaser. The term "processing" shall include: the processing and packaging of raw materials, in-process materials and finished products; the processing and packaging of farm and dairy products for sale; and the extraction of minerals, ores, coal, clay stone and natural gas.

SECTION 3. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

Any other provision of this chapter to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this chapter do not include the sale, use, storage, or other consumption of "industrial machinery" as defined in Section 2 of this Act, when the "industrial machinery" is delivered to a manufacturer or processor, or their agent for use out of state.

SECTION 4. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

For purposes of this Act, "industrial machinery" will be presumed for sale, use, storage or consumption outside the state, if:

(1) Delivery is to a common carrier, whether chosen by the seller or by the purchaser, and whether F.O.B. seller's shipping point or F.O.B. purchaser's destination, provided the shipping document indicate delivery to a location outside the state; or

(2) Delivery is made by seller's own transportation vehicles to a location outside the state.

Section 5. KRS 139.480 is amended to read as follows:

Any other provision of this chapter to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this chapter do not include the sale, use, storage, or other consumption of:

(1) Locomotives or rolling stock, including materials for the construction, repair, or modification thereof, or fuel or supplies for the direct operation of locomotives and trains, used or to be used in interstate commerce;

(2) Coal for the manufacture of electricity;

(3) All energy or energy-producing fuels used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three percent (3%) of the cost of production. Cost of production shall be computed on the basis of plant facilities which shall mean all permanent structures affixed to real property at one (1) location;

(4) Livestock of a kind the products of which ordinarily constitute food for human consumption provided the sales are made for breeding or dairy purposes and by or to a person regularly engaged in the business of farming;

(5) Poultry for use in breeding or egg production;

(6) Farm work stock for use in farming operations;

(7) Seeds, the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business, feed for livestock or poultry of a kind the products of which ordinarily constitute food for human consumption, and commercial fertilizer to be applied on land the products from which are to be used for food for human consumption or are to be sold in the regular course of business; Provided such sales are made to farmers who are regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or who are regularly engaged in the occupation of raising and feeding livestock or poultry or producing milk for sale; and provided further that such tangible personal property so sold is to be used only by those persons designated above who are so purchasing;

(8) Machinery for new and expanded industry;

(9) Farm machinery. As used in this section the term "farm machinery" means machinery used exclusively and directly in the occupation of tilling the soil for the production of crops as a business, or in the occupation of raising and feeding livestock or poultry or of producing milk for sale. The term "farm machinery" as used in this section includes machinery, attachments, and replacements therefor, repair parts, and replacement parts which are used or manufactured for use on, or in the operation of farm machinery and which are necessary to the operation of such machinery, and are customarily so used; but this exemption shall not include automobiles, trucks, trailers, and truck-trailer combinations;

(10) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(11) Tombstones and other memorial grave markers; and

(12) On-farm facilities used exclusively for grain or soybean storing, drying, processing, or handling. The exemption applies to the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of such facilities;

(13) Gasoline, special fuels, and liquefied petroleum gas used to operate or propel stationary engines or tractors for agricultural purposes. As used in this subsection:

(a) "Gasoline" is defined as in KRS 138.210(4);

(b) "Special fuels" is defined as in KRS 138.560(3);

(c) "Liquefied petroleum gas" is defined as in KRS 234.100(1); and

(d) "Agricultural purposes" is defined as in KRS 138.343(4);

(14) Textbooks, including related workbooks and other course materials, purchased for use in a course of study conducted by an institution which qualifies as a nonprofit educational institution under KRS 139.495. The term "course materials" means only those items specifically required of all students for a particular course but does not include notebooks, paper, pencils, calculators, tape recorders, or similar student aids;

(15) Any property which has been certified as an alcohol production facility as defined in KRS 247.910*; and*

(16) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the direct operation of aircraft in interstate commerce and used exclusively for the conveyance of property for hire. Nominal intrastate use will not subject the property to the taxes imposed by this chapter.

Representative Brown moved that the House concur in Senate Amendment No. 1 to **HB 460.** Agreed.

Representative Brown moved that **HB 460,** as amended by the Senate, be passed.

Roll call on **HB 460,** as amended by the Senate, showed 80 yeas - 0 nays.

HB 460, as amended by the Senate, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 460,** as amended by the Senate, was passed be reconsidered and said motion be paced on the table. Agreed.

HB 657, with Senate Committee Substitute and Senate Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 657** is as follows:

HB 657, AN ACT relating to state government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 11.040 is amended to read as follows:

(1) The governor may appoint such persons as he deems necessary for the proper operation of his office to perform such duties as the governor may require of them. The persons so appointed shall hold office at the pleasure of the governor. None of the provisions of KRS 64.640 shall be applicable to persons appointed under this *subsection* [~~section~~].

(2) There is hereby created an agency of the state government to be known as the office of the secretary to the governor's executive cabinet. The office of the secretary to the governor's executive cabinet shall not be part of the office of the governor, but shall constitute a separate agency of state government. The secretary so appointed shall have such rights, duties and responsibilities as may be assigned by the governor.

(3) The position of secretary to the governor's executive cabinet shall be filled by appointment of the governor and shall serve at the pleasure of the governor. The secretary shall be responsible for implementing all policies of the governor, coordinating all activities of the governor's executive cabinet, and advising and consulting with the governor on all policy matters affecting the state.

(4) The office of the secretary to the governor's executive cabinet shall include such principal assistants, appointed by the secretary of the cabinet pursuant to KRS 12.050, as may be necessary to execute the functions of the office.

Section 2. KRS 11.065 is amended to read as follows:

(1) *The secretaries of the justice cabinet, the education and humanities cabinet, the natural resource and environmental protection cabinet, the transportation cabinet, the commerce cabinet, the public protection and regulation cabinet, the cabinet for human resources, the finance and administration cabinet, the energy and agriculture cabinet, the corrections cabinet, the secretary of the governor's executive cabinet* [~~The heads of the department of finance, department for human resources, department of justice, department for natural resources and environmental protection, department of transportation, cabinet for education and the arts, cabinet for development, department of energy, cabinet for public protection and regulation,~~] and the lieutenant governor shall constitute the governor's executive cabinet. There shall be a vice-chairman appointed by the governor who shall serve in an advisory capacity to the executive cabinet. The governor shall be the chairman and the secretary of the [~~department of~~] finance *and administration cabinet* shall be a second vice-chairman of the executive cabinet.

(2) The cabinet shall meet not less than once every two (2) months and at other times on call of the governor. The executive cabinet shall be a part of the office of the governor and shall not constitute a separate department or agency of the state. Members of the cabinet shall be the major assistants to the governor in the administration of the state government and shall assist the governor in the proper operation of his office and perform such other duties as the governor may require of them.

(3) The cabinet shall consider such matters involving policies and procedures as the governor or any member may place before it. The cabinet shall advise and consult with the governor on all matters affecting the welfare of the state.

Section 3. KRS 12.010 is amended to read as follows:

[~~(1)~~] In this chapter, *and throughout the Kentucky revised statutes where applicable and appropriate* unless the context requires otherwise:

(1)[~~(a)~~] "Department" means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by appropriate executive action as a "department", *such organization to be headed by a commissioner*;

(2)[~~(b)~~] "Division" means a major *subdivision* [~~branch~~] of a department established by statute or by administrative action, *such to be headed by a director*;

(3) "Branch" means a small grouping of logical work force personnel, such to be headed by a manager;

(4) "Section" means a smaller grouping within a branch, such to be headed by a supervisor;

(5) "Unit" means the smallest grouping of coordinated employes, such to be headed by a leader;

(6) "Office" means a staff support or administrative function and shall be a major subdivision of a program cabinet only, such to be headed by an executive director;

(7)[~~(c)~~] "Administrative body" includes authority, board, bureau, interstate compact, commission, committee, conference, council, office and any other form of organization in the executive branch of government, but does not include "department," "program cabinet," [~~or~~] "division," *"branch," "section," "unit" or "office";*[~~.~~]

(8)[~~(2)~~] "Program cabinet" means a group of departments, or departments and commissions, or other administrative bodies, designated by statute or appropriate executive action as a "program cabinet".

Section 4. KRS 12.020 is amended to read as follows:

Departments, program cabinets (and their departments) and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or executive order, provided, however, that where the attached department or administrative body is headed by a constitutionally elected officer such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. *Cabinet for general government* - Departments headed by elected officers:
1. The governor.
2. Lieutenant governor.
3. Department of state.
(a) Secretary of state.
(b)[~~(a)~~] Board of elections.
4. Department of law.
(a) *Attorney general* [~~Consumers advisory council.~~
~~(b) Travel assistance board.~~]
5. Department of the treasury.
(a) Treasurer.
6. Department of agriculture.
(a) *Commissioner of agriculture* [~~State board of agriculture.~~
~~(b) Milk marketing and antimonopoly commission~~].
7. Department of education.
(a) Superintendent of public instruction.
[~~(b) State board for elementary and secondary education.~~
~~(c) The department for elementary and secondary education.~~
~~(d) State board for occupational education.~~
~~(e) The department for occupational education.~~
~~(f) State textbook commission.~~]
8. Auditor of public accounts.
9. Railroad commission.
II. *Program cabinets* [~~Cabinet departments~~] headed by appointed officers:
1. Justice cabinet:
(a) Department for public advocacy
(b) Department of state police
(c) Department of training
(d) Office of administration
2. Education and humanities cabinet:
(a) Department for the blind
(b) Department of education
(c) Department for libraries and archives
(d) Commission on human rights
(e) Kentucky commission on women
(f) State advisory council for vocational education
(g) Kentucky industries for the blind
(h) Kentucky educational television
(i) Kentucky historical society
(j) Kentucky teachers retirement system board of trustees
(k) Kentucky school building authority
3. Natural resource and environmental protection cabinet:

(a) Environmental quality commission
(b) Kentucky nature preserves commission
(c) Department for environmental protection
(d) Department for natural resources
(e) Department for surface mining reclamation and enforcement
(f) Office of special projects
(g) Office of administration
(h) Office of general counsel
(i) Office of communications and community affairs
4. Transportation cabinet:
(a) Department of highways
(b) Department of vehicle regulation
(c) Office of administration
(d) Office of comptroller
(e) Office of legal affairs
(f) Kentucky turnpike authority
(g) Kentucky housing corporation
5. Commerce cabinet:
(a) Department of economic development
(b) Department of the arts
(c) Department of fish and wildlife resources
(d) Department of parks
(e) Kentucky development finance authority
(f) Kentucky horse park
6. Public protection and regulation cabinet:
(a) Public service commission
(b) Department of insurance
(i) Custodian of insurance securities
(c) Department of labor
(i) Workers compensation board
(ii) Occupational safety and health standards board
(iii) State labor relations board
(d) Department of housing, buildings, and construction
(e) Department of banking and securities
(f) Department for mines and minerals
(g) Department for alcoholic beverage control
(h) Kentucky harness racing commission
(i) Kentucky state racing commission
(j) Kentucky occupational safety and health review commission
(k) Registry of election finance
(l) Board of claims
(m) Crime victims compensation board
(n) Kentucky board of tax appeals
(o) Backside improvement commission
7. Cabinet for human resources:
(a) Department for health services
(b) Department for manpower services
(c) Department for social insurance
(d) Department for social services
(e) Unemployment insurance commission
(f) Public assistance appeals board
(g) Office of administrative services
(h) Office of communications and council affairs
(i) Office of general counsel
(j) Office of inspector general
(k) Office of policy and budget
(l) Office of the ombudsman
8. Finance and administration cabinet:
(a) Office for policy management
(b) Office for program administration
(c) Department for administration

(d) Department of facilities management
(e) Department of personnel
(f) Department of information systems
(g) State property and buildings commission
(h) Kentucky pollution abatement authority
(i) Kentucky savings bond authority
(j) Deferred compensation systems
(k) Office of equal employment opportunity contract compliance
(l) Capital plaza authority
(m) County officials compensation board
(n) Financial disclosure review commission
(o) Kentucky employes retirement systems.
(p) Commonwealth credit union
9. Energy and agriculture cabinet:
(a) Department of agriculture
(b) Department of energy production and utilization
(c) Department of energy research and development
(d) Office of administration
(e) Office of policy and evaluation
(f) Kentucky state fair board
(g) Kentucky council on agriculture
(h) Kentucky fair and exposition center
(i) Tobacco research board
10. Corrections cabinet:
(a) Parole board
(b) Commission on corrections and community services
(c) Department of adult correctional institutions
(d) Office of community services
(e) Office of administrative services
(f) Office of corrections training
(g) Office of general counsel
[~~1. Department of finance.~~
~~(a) State property and buildings commission.~~
~~(b) Turnpike authority of Kentucky.~~
~~(c) Capital plaza authority.~~
~~(d) Kentucky pollution abatement authority.~~
~~(e) Kentucky health and geriatric authority.~~
~~(f) Kentucky savings bond authority.~~
~~(g) Spindletop foundation.~~
~~(h) Kentucky public employes deferred compensation system.~~
~~2. Department of transportation.~~
~~(a) Railroad commission.~~
~~(b) Motor vehicle dealers board.~~
~~3. Department for natural resources and environmental protection.~~
~~(a) Environmental quality commission.~~
~~(b) Soil and water conservation commission.~~
~~(c) Ohio river sanitation commission.~~
~~4. Department of justice.~~
~~(a) Kentucky crime commission.~~
~~(b) Parole board.~~
~~(c) Kentucky law enforcement council.~~
~~(d) Commission on corrections and community service.~~
~~(e) State police personnel board.~~
~~5. Department for human resources.~~
~~(a) Citizens commission for human resources.~~
~~(b) Advisory council for medical assistance.~~
~~(c) Unemployment insurance commission.~~
~~(d) Certificate of need and licensure board.~~
~~(e) Generic formulary council.~~
~~(f) Kentucky cancer commission.~~
~~(g) Statewide health coordinating council.~~

~~6. Department of energy.~~
~~(a) Bureau of energy research.~~
~~(b) Bureau of energy management.~~
~~(c) Advisory council for energy and natural resources.~~
~~(d) Energy research board.~~
~~(e) Kentucky geological survey.~~
~~Cabinet for development~~
~~Department of agriculture (headed by elected officer).~~
~~7. Department of commerce.~~
~~(a) Kentucky industrial development finance authority.~~
~~8. Department of fish and wildlife resources.~~
~~(a) Fish and wildlife resources commission.~~
~~9. Department of parks.~~
~~(a) Breaks interstate park commission.~~
~~10. Kentucky historical events celebration commission.~~
~~11. State fair board.~~
~~12. Economic development commission.~~
~~13. The governor's council on agriculture.~~
~~14. Kentucky film commission.~~
~~15. Department for local government.~~
~~16. State horse park board.~~
~~17. Office for program administration.~~
~~18. Kentucky urban development office.~~
~~19. Kentucky tobacco research board.~~
~~Cabinet for education and the arts.~~
~~20. Kentucky arts commission.~~
~~21. Bureau for the blind.~~
~~Department of education (headed by elected officer).~~
~~22. Kentucky authority for educational television.~~
~~23. Kentucky heritage commission.~~
~~24. Kentucky historical society.~~
~~25. Department of library and archives.~~
~~(a) State archives and records commission.~~
~~(b) State board for certification of librarians.~~
~~26. Advisory council for vocational education and manpower development and training.~~
~~Cabinet for public protection and regulation.~~
~~27. Department for alcoholic beverage control.~~
~~(a) Alcoholic beverage control board.~~
~~28. Department of banking and securities.~~
~~29. Department of insurance.~~
~~(a) Custodian of insurance securities.~~
~~30. Department of labor.~~
~~(a) Workmen's compensation board.~~
~~(b) Occupational safety and health standards board.~~
~~(c) State labor relations board.~~
~~31. Department of mines and minerals.~~
~~32. Kentucky registry of election finance.~~
~~33. Energy regulatory commission and utility regulatory commission.~~
~~34. Kentucky quarterhorse and appaloosa commission.~~
~~35. Kentucky state racing commission.~~
~~36. Kentucky harness racing commission.~~
~~37. Kentucky board of tax appeals.~~
~~38. Department of housing, buildings and construction.~~
~~(a) Kentucky housing corporation.~~
~~39. Board of claims.~~
~~40. Crime victims compensation board.~~]
III. Other departments headed by appointed officers:
1. Department of military affairs.
2. [~~Department of personnel.~~
~~(a) Personnel board.~~
~~3. Department of public information.~~

~~4.~~] Department of revenue.
[~~5. Human rights commission.~~]
3.[~~6.~~] Council on higher education.
4. Department of local government.
[~~7. Teachers' retirement system.~~
~~8. Kentucky employes' retirement system.~~
~~9. Commission on women.~~]

Section 5. KRS 12.023 is amended to read as follows:

(1) The following administrative bodies shall be attached to the office of the governor:

(a) Council on higher education (The state universities and colleges shall report through the council on higher education).

(b) Department of military affairs.

(c) [~~Department of personnel.~~
~~(d) Department of public information.~~
~~(e)~~] Department of revenue.
(d) Department of local government.
[~~(f) Human rights commission.~~
~~(g) Teachers' retirement system.~~
~~(h) Kentucky employes' retirement system.~~
~~(i) Commission on women.~~]

Section 6. KRS 12.050 is amended to read as follows:

Unless otherwise provided by law, deputy heads of departments, [~~heads of bureaus~~] and directors of divisions and institutions shall be appointed by the heads of the departments and in statutory departments the appointment of deputy heads of departments, [~~heads of bureaus~~] and heads of divisions shall be with the prior written approval of the governor. In departments [~~with bureaus,~~] each division head shall report to the head of the *department* [~~bureau~~] to which the division is assigned. [~~In other departments, each division head shall report to the head of the department.~~]

Section 7. KRS 12.060 is amended to read as follows:

(1) The heads of statutory departments, with the approval of the secretary of the [~~department of~~] finance *and administration cabinet*, may establish such subordinate positions as may be necessary and make appointments thereto, within the limitations of their appropriations, and removals therefrom. All appointees to such positions shall be under the supervision, direction and control of the heads of the respective departments and shall perform such duties as the heads of the departments prescribe. The appointment of all employes not otherwise provided for shall be made by the heads of the departments.

(2) The head of any department, with the approval of the secretary of the [~~department of~~] finance *and administration cabinet*, may abolish unnecessary offices and positions, transfer officers and employes between positions, and change the duties, titles and compensation of existing offices and positions, subject to any provision of law in relation thereto.

Section 8. KRS 12.090 is amended to read as follows:

Subject to rules prescribed by the secretary of the [~~department of~~] finance *and administration cabinet* pursuant to law, any agency shall furnish to any other agency such services, labor and materials, as are requisitioned by the head of the other agency, and as its own facilities provide, through the same procedure and subject to the same measures of audit and control as other proposed expense. The expense shall be billed and charged to the agencies served, by transfers between appropriations. Agencies shall, so far as practicable, cooperate with each other in the use of services, quarters and equipment.

Section 9. KRS 12.250 is amended to read as follows:

There are established within state government the following program cabinets:
(1) Justice cabinet.
(2) Education and humanities cabinet.
(3) Natural resource and environmental protection cabinet.
(4) Transportation cabinet.
(5) Commerce cabinet.
(6) Public protection and regulation cabinet.
(7) Cabinet for human resources.
(8) Finance and administration cabinet.
(9) Energy and agriculture cabinet.
(10) Corrections cabinet.
[~~(1) Cabinet for development.~~
~~(2) Cabinet for education and the arts.~~
~~(3) Cabinet for public protection and regulation.~~]

Section 10. KRS 12.255 is amended to read as follows:

There is hereby established the office of secretary for *each of the program cabinets listed in KRS 12.250* [~~development cabinet, office of secretary for education and arts cabinet and office of secretary for public protection and regulation cabinet~~]. Each of these *program cabinets* [~~offices~~] shall be headed by a secretary appointed by the governor, and each secretary shall be chairman of the related cabinet.

Section 11. KRS 12.265 is amended to read as follows:

The cabinets established in KRS 12.250 shall be composed of departments, boards and commissions as *set forth in KRS 12.020.* [~~follows:~~

~~I. Cabinet for development~~
~~A. Department of agriculture~~
~~B. Department of commerce~~
~~C. Department of fish and wildlife resources~~
~~D. Department of parks~~
~~E. Kentucky historical events celebration commission~~
~~F. State fair board~~
~~G. Economic development commission~~
~~H. Governor's council on agriculture~~
~~I. Department for local government~~
~~J. State horse park board~~
~~K. Office for program administration~~
~~L. Urban development office~~
~~M. Kentucky tobacco research board~~
~~N. Appalachian development council.~~
~~II. Cabinet for education and the arts~~
~~A. Kentucky arts commission~~
~~B. Department of education~~
~~C. The Kentucky authority for educational television~~
~~D. Kentucky heritage commission~~
~~E. Kentucky historical society~~
~~F. Department of library and archives~~
~~G. Bureau for the blind.~~
~~III. Cabinet for public protection and regulation~~
~~A. Department of alcoholic beverage control~~
~~B. Department of banking and securities~~
~~C. Department of insurance~~
~~D. Department of labor~~
~~E. Department of mines and minerals~~
~~F. Kentucky registry of election finance~~
~~G. Energy regulatory commission and utility regulatory commission~~
~~H. Kentucky quarterhorse and appaloosa commission~~
~~I. Kentucky state racing commission~~
~~J. Kentucky harness racing commission~~
~~K. Kentucky board of tax appeals~~
~~L. Department of housing, buildings and construction~~
~~M. Board of claims~~
~~N. Crime victims compensation board.~~]

Section 12. KRS 18.140 is amended to read as follows:

(1) The classified service to which KRS 18.110 to 18.360 shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:

(a) The general assembly and employes of the general assembly including the employes of the legislative research commission;

(b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;

(c) Members of boards and commissions;

(d) Officers and employes on the staff of the governor, the lieutenant governor, the office of the secretary of the governor's cabinet, and the office of program administration;

(e) Cabinet secretaries, commissioners, *office* [~~department~~] heads, [~~bureau commissioners~~] and the administrative heads of all boards and commissions, including the executive director of Kentucky educational television;

(f) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;

(g) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the commissioner of personnel approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size or complexity of the unit involved are such that the personnel board may approve such an addition or additions on petition of the department head approved by the commissioner of personnel;

(h) Division directors subject to the provisions of KRS 18.150;

(i) Physicians employed as such;

(j) One (1) private secretary for each person exempted under subsections (1)(e), (1)(f) and (1)(g) of this section;

(k) The judicial department, referees, receivers, jurors, and notaries public;

(l) Officers and members of the staffs of state universities and colleges and student employes of such institutions; and officers, teachers, and employes of local boards of education;

(m) Patients or inmates employed in state institutions;

(n) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the general assembly, or a committee thereof, or by authority of the governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services who are retained pursuant to application procedures, lists of eligibles, and classification and compensation systems developed by the commissioner of personnel and approved by the professional employment commission under the provisions of KRS 45.535;

(o) Seasonal, temporary, and emergency employes;

(p) Federally funded time-limited employes;

(q) Officers and members of the state militia;

(r) State police troopers and sworn officers in the bureau of state police, department of justice;

(s) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;

(t) Superintendents of state mental institutions, including heads of mental retardation centers, and penal and correctional institutions as referred to in KRS 196.180(2);

(u) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;

(v) County and commonwealth's attorneys and their respective appointees.

(2) Nothing in KRS 18.110 to 18.360 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(3) Nothing herein is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Classified employes with status promoted to positions exempted from classified service may, upon termination of their employment in the exempted service, revert to their classified status, but not necessarily to a particular position in the classified service.

(5) Nothing herein shall be construed as precluding appointing officers from filling nonclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

Section 13. KRS 18.180 is amended to read as follows:

(1) The Governor shall appoint the commissioner of personnel, who shall be considered an employe of the state. He shall be a person who has had extensive training and experience in personnel administration or in allied fields, shall have known sympathies with the merit principle in government service, and shall evidence such other qualifications as are essential to the performance of the duties of the position.

(2) The department of personnel shall be a department in the finance and administration cabinet, and the commissioner shall have such duties and responsibilities as assigned by the secretary of the finance and administration cabinet, and shall be responsible to and report to the secretary.

(3) There is established within the department of personnel the following divisions, each of which shall be headed by a director appointed by the secretary of the finance and administration cabinet, pursuant to KRS 12.050;

(a) The division of classification and compensation, which shall be responsible for, but not limited to, the maintenance of plans of classification and compensation for the state service; for the review and evaluation of these plans; and for the coordination of programs providing services to employes;

(b) The division of agency relations, which shall be responsible for, but not limited to, the maintenance of central personnel files on employes in the state service, preparation of registers of candidates for state employment, processing of personnel documents, the services and staff for the personnel board, and counseling state agencies regarding personnel programs;

(c) The division of applicant counseling and examinations, which shall be responsible for, but not limited to, the operation of a centralized applicant counseling and examination program for state employment and outreach programs such as the administrative intern program;

(d) The division of employe benefits and payroll, which shall be responsible for, but not limited to, design and administration of employe benefits, coordination of the workers' compensation program, management information, coordination of equal employment opportunity and affirmative action, and certification of payrolls of various state agencies; and

(e) The division of career training, which shall be responsible for, but not limited to, the coordination and implementation of all education and training programs, with a special emphasis on managerial and office technical skills within the executive branch.

(4) The department shall include such principal assistants appointed by the commissioner, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as necessary to execute the functions and duties of the department.

Section 14. KRS 42.011 is amended to read as follows:

There is established a *cabinet* [~~department~~] of state government to be known as the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the *"cabinet"* [~~"department"~~]). The *cabinet* [~~department~~] shall be headed by the secretary of the [~~department of~~] finance *and administration cabinet* (hereinafter referred to in KRS chapter 42 as the "secretary"), which office is hereby created. The secretary shall be appointed by the governor. The secretary shall be bonded as required by KRS 62.160 in the minimum amount of one hundred thousand dollars ($100,000).

Section 15. KRS 42.012 is amended to read as follows:

The secretary shall be the chief financial officer of the state and the adviser of the governor and the general assembly in financial matters, and shall at all times protect the financial interests of the state. He shall be responsible to the governor for the administration of the *cabinet* [~~department~~].

Section 16. KRS 42.013 is amended to read as follows:

(1) The office of the secretary of the *finance and administration cabinet* [~~department of finance~~] which is hereby created shall include a deputy secretary who shall be appointed by the secretary with the approval of the governor. The deputy secretary shall be responsible to and have such authority to sign for the secretary as the secretary designates in writing.

(2) There shall be a general counsel appointed pursuant to KRS 12.210 attached to the office of the secretary to provide legal services for the *cabinet* [~~department~~]. The attorney general on request of the secretary may designate the general counsel as an assistant attorney general pursuant to KRS 15.105.

(3) The secretary may employ and maintain, *subject to the provisions of KRS Chapter 18* [~~with the approval of the department of personnel~~], such other supporting staff as he deems necessary to execute the functions, duties, and responsibilities of the *cabinet* [~~department~~]. *The secretary may organize the office into such additional administrative units as he deems necessary to perform the functions and fulfill the duties of the cabinet.*

(4) All appointments under this chapter to positions not in the classified service shall be made pursuant to KRS 12.050 and such appointees shall be major assistants to the secretary and shall assist in the development of policy.

SECTION 17. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is established a department of state government to be known as the department of information systems. The department shall be a part of the finance and administration cabinet. The department of information systems shall be headed by a commissioner, appointed by the secretary of the finance and administration cabinet, with the approval of the governor. The commissioner shall be responsible to the secretary.

(2) The secretary of the finance and administration cabinet shall appoint, with the approval of the governor, a deputy commissioner of the department of information systems, pursuant to KRS 12.050. The commissioner of information systems, with the approval of the secretary of the finance and administration cabinet, may appoint such principal assistants, pursuant to KRS 12.050, as may be necessary for the development and implementation of policy. The commissioner may employ, pursuant to the provisions of KRS Chapter 18, such personnel as may be necessary to execute the functions and duties of the department.

SECTION 18. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The department of information systems shall include the following divisions, each of which shall be headed by a director appointed by the secretary with the approval of the governor, pursuant to KRS 12.050:

(a) The division of operations, which shall be responsible for computer operations, including the data center, remote batch entry, data control, on line support, and maintenance of the computer operations facility.

(b) The division of systems support, which shall be responsible for all computer hardware operations, research, development, programming, evaluation, and security systems.

(c) The division of special projects, which shall be responsible for ensuring dependable development and implementation of high priority data processing projects.

(d) The division of data management, which shall be responsible for data base administration, information retrieval and access for all state agencies and all types of software support for internal department development activities.

(e) The division of systems engineering, which shall be responsible for providing development and maintenance of all state agency application systems.

(f) The division of systems planning and administration, which shall be responsible for systems planning and fiscal administration.

(g) The division for statewide financial systems, which shall be responsible for the development and implementation of the uniform and integrated system of accounts and the uniform personnel payroll system, including technical support.

(2) There is established within the division for statewide financial systems an accounting principles task force, which shall study and evaluate the Commonwealth's accounting system and develop recommendations and proposals for modifications and changes necessary to be installed in a unified and integrated system of accounts for state government, complying with generally accepted principles as provided in KRS 45.300.

Section 19. KRS 42.014 is amended to read as follows:

(1) There is established within the *cabinet* [~~department~~] the office for policy and management *which shall be headed by a deputy secretary, the department for administration which shall be headed by a commissioner, and the department for facilities management which shall be headed by a commissioner, each of whom shall be responsible to the secretary and appointed by the secretary upon the approval of the governor. Each of these offices may have at least one major assistant not in the classified service* [~~and the office of air transport, each of which shall be headed by an executive director responsible to the secretary and appointed by the secretary upon approval of the governor. The executive director of the office for policy and management shall have the rank and style of deputy secretary of the department, which position shall be in addition to the position of deputy secretary authorized by KRS 42.013~~].

(2) *There shall be a division of management services which division is hereby established in the office of the secretary. The division of management services shall be headed by a director appointed by the secretary pursuant to the provisions of KRS 12.050. The division and its director shall have such duties and responsibilities as assigned by the secretary and shall be responsible to and report to the secretary* [~~There is established within the department a bureau of administrative services, a bureau of computer services, a bureau of facilities management and a bureau of public properties, each of which shall be headed by a commissioner responsible to the secretary and appointed by the secretary upon approval of the governor. Each of the bureaus shall have the duties and responsibilities assigned to it by the secretary~~].

(3) The secretary shall establish the internal organization and assignment of functions which are not established by statute, and shall divide the *cabinet* [~~department~~] into such offices, bureaus, divisions or other units as the secretary may deem necessary to perform the functions, powers and duties of the department, subject to the provisions of KRS chapter 12.

Section 20. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the office of the secretary for administrative purposes and staff services:

(1) *Financial disclosure review commission* [~~State planning committee~~];
(2) [~~Kentucky health and geriatric authority;~~
~~(3) Turnpike authority of Kentucky;~~
~~(4)~~] State property and buildings commission;
[~~(5) Kentucky housing corporation;~~]
(3)[~~(6)~~] Kentucky pollution abatement authority;
(4)[~~(7)~~] Capital plaza authority;
(5)[~~(8)~~] Kentucky savings bond authority;
(6)[~~(9)~~] County officials compensation board;
(7)[~~(10)~~] Kentucky public employes deferred compensation board[~~;~~
~~(11) Governor's design advisory council~~].

Section 21. KRS 42.022 is amended to read as follows:

The deputy secretary of the finance and administration cabinet for the office for policy and management shall also serve as state budget director, and, subject to the direction of the secretary of finance, shall have such duties, rights and responsibilities relating thereto as necessary, including but not limited to the following [~~The office for policy and management established in the department of finance by KRS 42.014 shall have and perform functions and duties as follows~~]:

(1) Assist with the staff planning functions of the state planning committee. The deputy secretary [~~of the department of finance~~] for the office for policy and management shall serve as secretary of the state planning committee.

(2) [~~Statewide clearinghouse functions and statewide plan review and coordination as provided by Memorandum A-95 of the United States office of management and budget; program plan review and analysis; executive policy implementation and compliance; and, capital outlay planning.~~

~~(3)~~] Functions vested in the [~~department of~~] finance *and administration cabinet* relative to the preparation, administration, and evaluation of the executive budget as provided in KRS Chapter 45 and in other laws, including but not limited to, capital construction budgeting, evaluation of state programs, program monitoring, financial and policy analysis and issue review, *and executive policy implementation and compliance.*

(3)[~~(4)~~] Continuous evaluation of statewide management and administrative procedures and practices, including but not limited to, organizational analysis and review, economic forecasting, technical assistance to state agencies, forms control, and special analytic studies as directed by the secretary or the governor.

[~~(5) Except as otherwise provided by law, the coordination of federal-state relations, including but not limited to, coordinating the flow of information between the federal and state governments; federal revenue sharing monitoring within this state; federal legislation review; coordination and oversight of federal aid programs; and federal-state relations policy.~~]

Section 22. KRS 42.023 is amended to read as follows:

(1) The department of administration of the cabinet established by KRS 42.014 shall be generally responsible for such functions and duties as the secretary may assign relating, but not limited to state accounting, accounts control, fiscal reporting, development and coordination of fiscal processes, preauditing of expenditures, supervision of purchasing and store keeping, control of stores, control of personal property and disposition of surplus personal property, printing and reproductions, state forms, postal services, technical assistance and advice to state agencies, and accounting, technical and economic assistance to local governments.

(2) There shall be established in the department of administration a division of accounts, a division of purchases, a division of printing, a division of occupations and professions, and a division of county and municipal accounting, each of which shall be headed by a director appointed by the commissioner, subject to the approval of the governor, and who shall be responsible to the commissioner. There may be, if needed, sections assigned to specific areas of work, responsible directly to the commissioner for administration. [~~The office of air transport established in the department of finance by KRS 42.014 shall be responsible for the management, administration and operational control of the Capital City Airport and of all air related real properties and appurtenances thereto located at the Capital City Airport not under the exclusive control of another state agency, and shall provide for and oversee the maintenance and care of all state-owned aircraft and control the scheduling and operational use thereof by all state agencies, and attend to the collection from using agencies and officers of the cost of operating said aircraft. Subject to the approval of the secretary as to the reasonableness thereof, the office for air transport shall establish, in accordance with applicable federal and state rules and regulations, fees to be paid by users of the services and facilities of the Capital City Airport. The office of air transport shall be divided for administrative purposes into a division of airport operations and a division of flight operations, each of which shall be headed by a director appointed by the secretary with the approval of the governor.~~]

Section 23. KRS 42.024 is amended to read as follows:

(1) [~~There is hereby recognized as established in the bureau of administrative services, department of finance, a division of accounts and a division of purchases, each of which shall be headed by a director responsible to the commissioner of the bureau of administrative services and appointed by the secretary, subject to the approval of the governor.~~] The division of accounts shall perform such financial record keeping functions as the secretary directs and shall in general be responsible for and perform the functions of the *cabinet* [~~department~~] as outlined in KRS 45.300 and 45.320, *and other related statutes.*

(2) The division of purchases shall be responsible for the performance of the *cabinet's* [~~department's~~] purchasing functions under KRS *Chapters 45 and 45A* [~~45.360 through 45.510~~], except those purchasing functions related to the acquisition of interests in real property, and contractual and construction services which are related to and required in connection with the construction, renovation and repair of state-owned buildings. *The division of purchases shall be responsible for the control of all state-purchased personal property and for the disposition of all state-purchased personal property declared surplus.*

Section 24. KRS 42.025 is amended to read as follows:

(1) The division of printing *shall be responsible for the printing and duplicating needs of state agencies, as provided by KRS Chapters 45A and 57* [~~and duplicating services is established in the bureau of administrative services, department of finance. The division shall be headed by a director who shall be appointed by the secretary subject to the approval of the governor and who shall be responsible to and report to the commissioner of the bureau~~]. The division shall include printing consultants to advise and assist state agencies in advance planning on an annual basis of their printing needs and a forms control unit to review

the requirements of state agencies for various kinds of forms and to advise and assist state agencies in forms control, development and revisions.

(2) *The division of county and municipal accounting shall be responsible for assisting both county and municipal governments in their financial administration and for providing state revenue sharing funds to these local governments. The division's responsibilities shall include but not be limited to the state local finance office (KRS 42.170), county fee systems, municipal technical assistance (KRS 91A.050), the local government economic assistance fund (KRS 42.450) and the county and municipal road aid fund (KRS 177.369 and 179.410)* [~~The division of printing and duplicating services shall provide for and supply the printing and duplicating needs of state agencies located or having their central offices in the Frankfort-Franklin County area. The provisions of KRS 57.021 notwithstanding, no program cabinet, department, agency, office or constitutional officer of the state, except the legislative research commission and the attorney general, having offices at the seat of government or required to have their offices at the seat of government, shall operate a printing or duplicating plant~~].

Section 25. KRS 42.027 is amended to read as follows:

The *department for* [~~bureau of~~] facilities management established in the [~~department of~~] finance *and administration cabinet* by KRS 42.014 shall be generally responsible for performance of the *cabinet's* [~~department's~~] functions and duties as outlined in KRS Chapters 45, *45A* and 56 with relation to the management and administration of the state capital construction program, including without limitation to the generality thereof, the procurement of necessary consulting services related to capital construction and building renovation projects, construction services, and supervision of building construction projects, and for the maintenance and operation of the state government's telecommunications systems, *real property management functions and physical plant management functions.* [~~The bureau shall include a deputy commissioner who shall be appointed by the secretary, subject to the approval of the governor, who shall be responsible to the commissioner of the bureau and shall perform such duties under the commissioner's supervision as may be assigned or delegated by the commissioner.~~] The *department* [~~bureau~~] shall be divided for administrative and operational purposes into a division of engineering, a division of contracting and *administration* [~~procurement~~], [~~and~~] a division of telecommunications, *a division of physical plant, and a division of real property,* each of which shall be headed by a director appointed by the secretary, subject to the approval of the governor and responsible to the commissioner [~~of the bureau~~]. The commissioner [~~of the bureau~~] shall provide for the distribution of the *department's* [~~bureau's~~] work among the divisions within the *department* [~~bureau~~].

Section 26. KRS 42.030 is amended to read as follows:

(1) The [~~department of~~] finance *and administration cabinet* shall have and exercise all administrative functions of the state, except as otherwise provided by law, in relation to:

(a) Developing financial policies and plans for consideration by the governor as the basis for his budget and recommendations to the general assembly, and preparing the detailed documents in accordance with the financial plans of the governor for presentation to the general assembly.

(b) Coordinating and supervising the fiscal affairs and fiscal procedures of the state to insure the carrying out of the definite financial policies and plans approved by the general assembly.

(c) Accounting, including budgetary accounting and accounting control.

(d) Fiscal reporting.

(e) Supervision of preauditing of expenditures and current auditing of receipts and receivables.

(f) Supervision of purchasing and storekeeping and control of property and stores.

(g) Supervision of all receivables of the state.

(h) Maintaining and operating public buildings, except those provided for the exclusive use of any one (1) *governmental* agency.

(i) Auditing the accounts of the treasurer and the auditor of public accounts, as contemplated by section 53 of the constitution.

(j) Coordination and supervision of *accounting and budgeting of* [~~data processing, computers, and~~] government information systems.

(k) Accounting, technical and economic assistance to local governments.

(2) The [~~department of~~] finance *and administration cabinet* shall be primarily responsible for maintaining management control over the activities of the several budget units. To perform this function, the *cabinet* [~~department of finance~~] shall:

(a) Keep in continuous touch with the operations, plans and needs of the several state agencies, and with the sources and amounts of revenue and other receipts of the state.

(b) Appraise the quantity and quality of services rendered by each agency, and the needs for such services and for any new services.

(c) Examine and recommend work programs and periodical allotments to the several state agencies, and changes therein.

(d) Develop plans for improvements and economies in organization and operation of the several state agencies, and install such plans as are approved by the respective heads of the agencies or as directed by the governor or the general assembly.

(e) Devise and prescribe the forms of operations reports to be required periodically from each agency and require the agencies to make such reports.

(f) Examine and approve all statements and reports on the financial condition, estimated future financial condition and operation of the state government and its agencies, before any such reports are released to the governor, to the general assembly, or for publication.

(g) Receive and deal with all requests for information as to financial conditions and operations of the state.

(h) Prepare such unit costs and cost statistics as are required from time to time.

(i) Advise and assist the governor, the general assembly and the appropriation committees of the general assembly, on request, in any matters relating to the functions of the *cabinet* [~~department of finance~~].

(j) Keep a summary of the financial transactions of all state agencies.

(3) The functions conferred upon the *cabinet* [~~department of finance~~] by this section shall be in lieu of similar functions formerly exercised by other state agencies.

Section 27. KRS 42.066 is amended to read as follows:

(1) The *division of occupations and professions shall* [~~function of the division is to~~] provide administrative services, technical assistance and advice to the following boards and commissions at the request of the individual boards or commissions, all of which maintain their identity and their full authority for making policy decisions in the fields that they regulate: The state board of accountancy, Kentucky athletic commission, the state board of examiners and registration of architects, the Kentucky board of barbering, the Kentucky board of hairdressers and cosmetologists, the state board of podiatry, the Kentucky state board of chiropractic examiners, the Kentucky board of dentistry, the state board of embalmers and funeral directors, the state board of registration for professional engineers and land surveyors, the board of nursing education and nurse registration, the Kentucky board of ophthalmic dispensers, the Kentucky board of optometric examiners, the Kentucky board of pharmacy, the state board of physical therapy, the board of examiners of psychologists, the state real estate commission, the Kentucky board of veterinary examiners, the Kentucky board of examiners in watchmaking, the state board of auctioneers, the state board for proprietary education, the state board of examiners and registration of landscape architects, the state board of medical licensure, the state board of examiners of speech pathology and audiology, the Kentucky board of licensure for nursing home administrators, the Kentucky board for licensing hearing aid dealers, the state board of examiners of social work of Kentucky, and such other boards and commissions as are created to license, certify, register or otherwise regulate any occupational or professional category.

(2) To the extent that the division does provide administrative services, the respective boards and commissions are relieved of the power and duty to provide the services for themselves. The division shall charge each board or commission a reasonable amount for administrative services provided pursuant to subsection (1) of this section. The division may employ persons previously employed by boards or commissions.

(3) The division may receive complaints against the conduct of licensees granted licensure by the boards and commissions assigned to the division for administrative purposes. The division shall cause such complaints to be reduced to writing and forwarded to the appropriate board or commission for investigation and a determination of the validity of the complaint. The division shall keep a record of all complaints received by it and forwarded to a board or commission.

Section 28. KRS 42.170 is amended to read as follows:

All of the functions of the state local finance officer provided in KRS chapters 66, 68, 103 and 131 relating to the issuance of bonds and control of funds of counties, cities and other local units and county financial administration shall be exercised by the *finance and administration cabinet* [~~department for local government~~].

Section 29. KRS 42.455 is amended to read as follows:

(1) There is established within the *finance and administration cabinet* [~~department of local government~~] a local government economic assistance program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all monies in the fund shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the fund shall be spent on priority categories limited to the following:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewer disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) Financial administration and governmental management programs;

(i) Industrial and economic development; and

(j) Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The [~~department of~~] finance *and administration cabinet* shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by KRS 42.455.

(6) The *finance and administration cabinet* [~~department for local government~~] shall assure that public hearings equivalent to those required for the expenditure of federal general revenue sharing funds are held on the expenditure of funds received under KRS 42.450 to 42.495. The *cabinet* [~~department of local government~~] shall also submit an annual report to the governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the department of transportation shall publish and furnish to the [~~department of~~] finance *and administration cabinet* a directory, including supporting maps and other documents, designating the official state coal road system in coal impact and coal producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal impact and coal producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the department can accurately calculate total ton/miles within each coal impact and coal producing county.

(9) The department of revenue shall make available to the department of transportation coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 30. KRS 42.460 is amended to read as follows:

Any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report will include a certification that said funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the *finance and administration cabinet* [~~department of local government~~] within eighteen (18) months after the end of the fiscal year.

Section 31. KRS 45.770 is amended to read as follows:

(1) There is created within the state treasury a capital construction and equipment purchase contingency fund. The fund shall consist of monies appropriated to the fund by the general assembly and income derived from the investment of monies appropriated to the fund. The fund shall also include income derived from the investment of funds appropriated by the general assembly for capital construction projects or the purchase of major items of equipment prior to the time such funds are allotted for expenditure on the project or item.

(2) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a capital construction project, authorized by the general assembly under KRS 45.760, subject to the following conditions and procedures:

(a) Except as provided in paragraph (d) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized project shall not exceed an amount equal to twenty-five percent (25%) of the estimated cost of the project, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) The [~~department of~~] finance *and administration cabinet* may transfer an amount equal to fifteen percent (15%) or less of the estimated cost of an authorized project from the fund to the allotment account of the project provided that the *cabinet* [~~department~~] reports the transfer to the capital construction and equipment purchase oversight committee within thirty (30) days after making the transfer. The report shall include documentation of the amount, necessity and purpose of the transfer, the amount already expended on the project prior to and during the current biennium, and any alterations made or planned in the project since its consideration by the general assembly during the most recent regular session.

(c) The [~~department of~~] finance *and administration cabinet* may transfer, from the fund to the allotment account of an authorized project, an amount equal to more than fifteen percent (15%) but not more than twenty-five percent (25%) of the estimated cost of the project, subject to paragraph (e) of this subsection.

(d) In the event that the cost of an authorized project exceeds, by more than twenty-five percent (25%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of twenty-five percent (25%) of the estimated cost of the project may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the project, subject to paragraph (e) of this subsection.

(e) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under paragraph (c) or (d) of this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (d) of this subsection shall include written certification to the committee from the commissioner of the *department for* [~~bureau of~~] facilities management, [~~department of~~] finance *and administration cabinet*, that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

(3) Money in the capital construction and equipment purchase contingency fund may be transferred to the allotment account of a major item of equipment, authorized by the general assembly under KRS 45.760, for expenditure on that item subject to the following conditions and procedures:

(a) Except as provided in paragraph (b) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of an authorized major item of equipment shall not exceed an amount equal to ten percent (10%) of the estimated cost of the item, for that biennium, approved by the general assembly in the manner provided by KRS 45.760.

(b) In the event that the cost of an authorized major item of equipment exceeds, by more than ten percent (10%), its estimated cost, as approved by the general assembly, due to an unforeseen decision by a federal or state court or regulatory agency, monies in excess of ten percent (10%) of the estimated cost may be transferred from the capital construction and equipment purchase contingency fund to the allotment account of the item.

(c) The [~~department of~~] finance *and administration cabinet* shall, prior to making any transfer under this subsection, present the proposed transfer to the capital construction and equipment purchase oversight committee for review in accordance with KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the secretary of the [~~department of~~] finance *and administration cabinet* that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.

Section 32. KRS 45A.305 is amended to read as follows:

(1) Any public purchasing unit is authorized, within its discretion, upon written request from another public purchasing unit or foreign purchasing activity, to provide personnel to the requesting public purchasing unit or foreign purchasing activity. Payment to the public purchasing unit providing the personnel, by the public purchasing unit or foreign purchasing activity making the request, of direct and indirect costs of furnishing the personnel, and the terms relating thereto shall be agreed upon by the parties involved.

(2) The informational, technical, and other services of any public purchasing unit may be made available to any other public purchasing unit or foreign purchasing activity provided that the requirements of the public purchasing unit tendering the services shall have precedence over the requesting public purchasing unit or foreign purchasing activity. Additionally, and subject to agreement between the parties, the requesting public purchasing unit or foreign purchasing activity shall pay all of the expenses of the services so provided.

(3) This Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], upon request may make available to all public purchasing units the following services, among others:

(a) Standard forms;
(b) Printed manuals;
(c) Product specifications and standards;
(d) Quality assurance testing services and methods;
(e) Qualified products lists;
(f) Source information;
(g) Common use commodities listings;
(h) Supplier prequalification information;
(i) Supplier performance ratings;

(j) Debarred and suspended bidders list;

(k) Forms for invitations for bids, requests for proposals, instructions to bidders, general contract provisions, and other contract forms; and

(l) Contracts or published summaries thereof, including price and time of delivery information.

(4) The Commonwealth, through the *finance and administration cabinet* [~~department of local government~~], may provide the following technical services, among others:

(a) Development of products specifications;

(b) Development of quality assurance test methods, including receiving, inspection, and acceptance procedures;

(c) Use of state product testing and inspection facilities; and

(d) Use of state personnel training programs.

(5) The *finance and administration cabinet* [~~department of local government~~] may publish a schedule of fees for the services provided under subsections (3) and (4) of this section.

Section 33. KRS 56.802 is amended to read as follows:

(1) Whenever an agency determines that it will need office or other space it shall submit a request for the acquisition of such additional space to the *department for facilities management* [~~bureau of public properties~~] in the [~~department of~~] finance *and administration cabinet*. If the *department for facilities management* [~~bureau of public properties~~] determines that insufficient space has been allocated to the agency making the request, it may then acquire the space required by lease as provided by KRS 56.800 to 56.820.

(2) The *department for facilities management* [~~bureau of public properties~~] shall review each agency space request to determine whether space suitable to meet the agency's reasonable needs may be available in a state-owned or occupied building. If it is determined that there is no suitable space available in a state-owned or occupied building, the *department* [~~bureau~~] shall, except as provided in KRS 56.804, cause an advertisement to be placed in a newspaper having general circulation in each county where space is sought, soliciting negotiations of a lease to the Commonwealth of space meeting the agency's general requirements. The advertisement shall be published two (2) times during any seven (7) day period in daily newspapers and one (1) time in weekly newspapers. Whenever an advertisement for space is made in a weekly newspaper, it shall also be made in a newspaper of daily publication in the county of closest geographic proximity to the county in which the space is sought and for which advertisement has been made in a weekly newspaper. All leases of space in Franklin County, and all leases in any county for which the annual rental charge is estimated to exceed one hundred thousand dollars ($100,000), shall be published in at least two (2) newspapers having broad circulation within the state, to be designated by the secretary of the *finance and administration cabinet* [~~department~~], in addition to a newspaper published and of general circulation in the county in which the space is sought. The advertisement shall contain such general information concerning the agency requirements for the space sought as will reasonably inform persons having property to let within the county of the type of space wanted, the general location of the property, and the number of square feet needed, and shall state the last time, date and place that responses will be received. Responses may be made by any person in writing on or before the time and date designated and need only designate the type and location of the property, the name and address of the property owner and the date of the availability of the property for lease.

(3) Following the expiration of the time specified for the submission of proposals, the space proposed to be leased to the state by each person submitting a proposal will be inspected to determine its suitability to the reasonable needs of the agency for whose use the property is sought. The owner or other person submitting the proposal shall provide access to the property for such inspection. A report of the findings about each property inspected shall be submitted to the commissioner of the *department for facilities management* [~~bureau of public properties~~] who shall, after consultation with the head of the agency for whose use the space is sought, determine the best proposal received in the interest of the state. The commissioner shall, in making his determination, take into account factors including but not limited to: the location and accessibility of the property to the public; its condition and state of repair; its conformity with the requirements of occupational health and safety regulations; the proposed rental rates; and the general conformity of the property proposed to the advertised space requirements. The lease of the space shall be awarded in the discretion of the commissioner [~~of the bureau~~] to the person whose proposal most closely conforms to the general requirements of the advertisement for the space and meets applicable state fire, health, safety and sanitation requirements and the requesting agency's reasonable space requirements.

(4) Recognizing the improbability that any two (2) properties proposed to be leased to the state under this section will be identical and that reasonable men might differ in determining the best proposal received for the lease of property to the state, it is the general assembly's intention in this section to confer upon and delegate to the commissioner of the *department for facilities management* [~~bureau of public properties~~] through the *finance and administration cabinet* [~~department~~], the broadest possible power and authority to make such determinations. Judicial review of the action of the *cabinet* [~~department~~] and the commissioner [~~of the bureau~~] in the award of leases under this section shall be limited to determining whether the award

of a lease by the state was procured by fraud. Any person who by judicial process unsuccessfully challenges the award of any lease of space by the state under this section shall be liable to the state for its costs in the action, including reasonable attorneys' fees.

Section 34. KRS 56.816 is amended to read as follows:

(1) Whenever the *department for facilities management* [~~bureau of public properties~~] in the [~~department of~~] finance *and administration cabinet* has reason to believe that there is no office or other space available to let that will be suitable to meet the space needs of one or more state agencies seeking the lease of space in a community where space is sought, and a determination has been made by the secretary of the [~~department of~~] finance *and administration cabinet*, with the approval of the governor, that the construction of a building by the Commonwealth to meet such need is not economically or otherwise feasible, the *department* [~~bureau~~] may advertise for written proposals for the construction of a building meeting the agency or agencies' space requirements and to be leased to the Commonwealth under a built-to-suit lease as authorized by this section.

(2) Advertisements for all built-to-suit leases shall be published in a newspaper of general circulation in the county where the space is sought and on a state-wide basis as provided by KRS 424.180. Advertisements for proposals for all built-to-suit leases shall be made ninety (90), sixty (60), and thirty (30) days in advance of the date fixed for receiving and opening the proposals.

(3) The *department* [~~bureau~~] shall develop, in consultation with the agency or agencies for whose use the space is sought[~~, and with the assistance of the bureau of facilities management,~~] general requirement specifications for the structure, which shall be set forth in outline form in the advertisement for proposals; the advertisement shall state that more detailed information about the space requirements and forms for submitting proposals may be obtained from the *department for facilities management* [~~bureau of public properties~~] and the time, date and place that proposals will be received.

(4) Each proposal submitted for built-to-suit leases shall contain information about the proposed site for the building, an estimate of the cost of the building, information about the proposed plan or method of financing the construction of the building, and schematic drawings of the proposed building. All buildings constructed and leased to the Commonwealth under built-to-suit lease agreements shall be constructed in accordance with all applicable state and national safety, building and construction code requirements and the preliminary and final building construction plans shall be reviewed and approved by the *department for* [~~bureau of~~] facilities management.

(5) At the time, date and place fixed in the advertisement, all written proposals for built-to-suit leases received shall be opened and publicly read. The commissioner of the *department* [~~bureau~~], after consultation with the head or heads of the agency or agencies for whose use the space is sought, [~~and with the advice and assistance of the bureau of facilities management,~~] shall award the built-to-suit lease to the individual or firm whose proposal, in the judgment and discretion of the commissioner, most closely conforms to advertised general requirement specifications.

Section 35. KRS 56.818 is amended to read as follows:

(1) The term of all built-to-suit lease agreements entered into by the Commonwealth under KRS 56.816 shall conform to the requirements of all applicable statutory and constitutional provisions as construed by the Kentucky Supreme Court.

(2) When necessary to enable an individual or firm to whom a built-to-suit lease agreement has been awarded to obtain either short or long term financing for the erection of the building to be constructed under such lease, or desirable in the best interests of the Commonwealth, the Commonwealth may be granted and may accept as a part of said lease an option to purchase the leased buildings, land and any appurtenant facilities. The option price to be paid for any such property shall not exceed its fair market value as of the time the option is exercised as determined by a competent and qualified real estate appraiser, selected by mutual agreement of the parties, employing the reproduction cost new or other accepted appraisal techniques; provided, however, that in no event shall the option price be less than a sum equal to the remaining balance of any mortgage lien encumbering the property and securing the repayment of monies advanced to the owner for the original construction of the building, plus an amount not to exceed ten percent of such mortgage balance.

(3) All built-to-suit lease agreements shall be executed for the Commonwealth by the secretary of the [~~department of~~] finance *and administration cabinet* on recommendation by the commissioner of the *department for facilities management* [~~bureau for public properties~~], approved for form and legality by the attorney general or an assistant attorney general, and approved by the governor, before they shall be binding against the Commonwealth. All such leases shall be lodged for record and recorded in the office of the county clerk of the county in which the leased property is located.

Section 36. KRS 58.215 is amended to read as follows:

(1) The capital plaza authority shall be composed of *six (6)* [~~five (5)~~] members. The governor, secretary of the [~~department of~~] finance *and administration cabinet*, [~~and~~] attorney general *and the secretary of development* shall be the *four (4)* [~~three (3)~~] state members. The mayor shall appoint the city member. The

county judge/executive shall appoint the county member. Both the city member and the county member shall serve for a four (4) year term. These *six (6)* [~~five (5)~~] persons are a body corporate constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of the "Capital Plaza Authority," with perpetual succession and with power in that name to contract and be contracted with, to convey property, to sue and be sued, to have and use a corporate seal, and to exercise, in addition to the powers and functions specifically stated in KRS 58.210 to 58.315, all of the usual powers of private corporations not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services, but are entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as members.

(3) *Four (4)* [~~Three (3)~~] members of the authority shall constitute a quorum for the transaction of business. The governor shall be the chairman of the authority and the secretary of the [~~department of~~] finance *and administration cabinet* shall be the vice-chairman. The authority shall elect a secretary and a treasurer who shall serve at the pleasure of the authority and receive such compensation as may be determined by the authority. The treasurer shall give bond to the authority for a faithful accounting for all funds coming into his custody, in such amount as the authority may prescribe, drawn upon a surety company qualified to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office and the secretary of the authority shall maintain therein complete records of the authority's actions and proceedings, as public records open to inspection.

Section 37. KRS 61.420 is amended to read as follows:

For the purpose of KRS 61.410 to 61.500:

(1) "Wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of federal insurance contributions act, would not constitute "wages" within the meaning of that act;

(2) "Employment" means any service performed by an employe in the employ of the Commonwealth, a political subdivision, or an interstate instrumentality, for such employers, except (a) service of an emergency nature, (b) service which in the absence of an agreement entered into under KRS 61.410 to 61.500 would constitute "employment" as defined in the social security act, or (c) service which under the social security act may not be included in any agreement between the Commonwealth and the secretary entered into under KRS 61.410 to 61.500; provided, however, that service, the compensation for which is on a fee basis, may be excluded in any plan approved under KRS 61.410 to 61.500, and provided also, that service in any class or classes of positions, the exclusion of which is permitted under the social security act, may be excluded in any plan approved under KRS 61.460;

(3) "Employe" means any person in the service of the Commonwealth, a political subdivision or an interstate instrumentality of which the Commonwealth is a principal and shall include all persons designated officers including those which are elected and those which are appointed;

(4) "State agency" means the *state office for social security, which agency shall be subject to the authority of the secretary of finance and administration* [~~department for human resources~~];

(5) "Political subdivision," in addition to counties, municipal corporations and school districts, includes instrumentalities of the Commonwealth, of one or more of its political subdivisions or of the Commonwealth and one or more of its political subdivisions, and any other governmental unit thereof;

(6) "Social security act" means the act of congress approved August 14, 1935, chapter 531, 49 Stat. 620, officially cited as the "social security act," including regulations and requirements issued pursuant thereto, as such act has been and may from time to time be amended;

(7) "Federal insurance contributions act" means subchapter A of chapter 9 of the federal internal revenue code and all amendments thereto;

(8) "Secretary" means the secretary of health, education and welfare and includes any individual to whom the secretary may delegate any of his functions under the social security act; and, with respect to any transactions regarding insurance coverage occurring prior to April 11, 1953, includes the federal security administrator and any individual to whom he may have delegated any of his functions under the social security act;

(9) "Insurance coverage" means coverage by the old-age, survivors and disability insurance provisions of the social security act;

(10) "Sick leave with pay" means any payment made in lieu of salary on account of sickness or accident disability.

Section 38. KRS 61.460 is amended to read as follows:

(1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending insurance coverage to employes of such political subdivision; provided, however, that no such plan shall provide insurance coverage to an employe occupying a position to which KRS 161.220 to 161.710 are applicable except for employes of the state colleges and public junior colleges. Each such plan

and any amendments thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(a) It is in conformity with the requirements of the social security act and with the agreement entered into under KRS 61.430;

(b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employes thereof, shall be covered by the plan;

(c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) of this section are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(d) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof;

(e) It provides that the political subdivision will make such reports, in such form and containing such information, as the state agency may from time to time require, and will comply with such provisions as the state agency or the secretary may from time to time find necessary to assure the correctness and verification of such reports; and

(f) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency and as may be consistent with the provisions of the social security act.

(2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1) of this section, and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

(3) (a) Each political subdivision for which a plan has been approved under this section is authorized to and shall pay into the contribution fund, with respect to wages, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430; and, furthermore, in anticipation of the due date of any payments of contributions required herein, is authorized to and shall make such advancements as the state agency, by regulation or contract, may require.

(b) Each political subdivision is authorized to and shall make such payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employes covered under any plan approved under subsection (1) of this section, but in no event shall such amount be greater than five percent (5%) of the contributions required under paragraph (a) of this subsection. Such payments shall be made into the state treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated herein.

(c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employe's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution with respect to wages received for each calendar year, at the rate established by the federal insurance contributions act, as amended, and the social security act, as amended. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision under paragraph (a) of this subsection. Failure to deduct such contribution shall not relieve the employer of liability therefor.

(4) Delinquent payments due under paragraph (a) of subsection (3) of this section, with interest at the rate *prescribed by Section 218 (j) of the Social Security Act* [~~of six percent (6%) per year~~], may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to such subdivision by any department or agency of the state.

(5) Each political subdivision may exclude sick leave with pay from wages if such payments are made under a plan or system approved by the state agency for social security. Any such plan or system shall conform to the social security act and to any regulations promulgated thereunder.

Section 39. KRS 61.470 is amended to read as follows:

(1) There is hereby established a special fund to be known as the contribution fund. Such fund shall consist of and there shall be deposited therein:

(a) All contributions, interest, and penalties under KRS 61.450 and 61.460;

(b) All moneys appropriated or otherwise contributed thereto;

(c) Any property or securities and earnings thereof acquired through the use of moneys belonging to the fund;

(d) Interest earned upon any moneys in the fund, and

(e) All sums recovered from the bond of the custodian or otherwise for losses sustained by the fund, and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of KRS 61.410 to 61.500, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of KRS 61.410 to 61.500.

(2) The contribution fund shall be a trust and agency fund which shall not lapse and shall be held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purposes of KRS 61.410 to 61.500. Withdrawals from such fund shall be made for, and solely for:

(a) Payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under KRS 61.430;

(b) Payment of refunds provided for in subsection (3) of KRS 61.450;

(c) Refunds of overpayments, not otherwise adjustable, made by a political subdivision; and

(d) For payment of administrative costs for the administration of KRS 61.410 to 61.500 to the extent of the interest earned on investments of the contribution fund.

(3) From the contribution fund the custodian of the fund shall pay to the secretary of the treasury such amounts at such time or times as may be directed by the state agency in accordance with any agreement entered into under KRS 61.430.

(4) *At the end of each fiscal year, the state agency shall make an estimate of the necessary operating costs of the state agency for the next fiscal year, including a contingent liability fund. After approval of this amount needed for necessary costs and contingent liability fund by the secretary of finance and administration, the realized investment earnings of the contribution fund available at the end of any fiscal year shall be reduced to this approved amount, and any excess is hereby authorized for transfer to the credit of the general fund.*

(5) The treasurer of the state shall be ex-officio treasurer and custodian of the contribution fund and shall administer such fund in accordance with the provisions of KRS 61.410 to 61.500 and the directions of the state agency, and shall pay all warrants drawn upon the fund in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

Section 40. KRS 64.810 is amended to read as follows:

(1) Any county clerk, county judge/executive, county attorney, sheriff, jailer, coroner, or constable shall have the right to employ a certified public accountant to audit the books, accounts, and papers of his office in lieu of the audit conducted by the state auditor of public accounts required by KRS 43.070.

(2) If said official elects to exercise the right prescribed in subsection (1), then he shall:

(a) Notify in writing within thirty (30) days following the period to be audited, the fiscal court of his county and the state auditor of the name of the certified public accountant employed by said official to audit the books, accounts, and papers of his office; the auditor shall acknowledge, in writing, receipt of such notification, and approval of the use of the designated independent certified public accountant cannot be withheld unless such certified public accountant fails to conform to standard audit programs established for governmental accounting and other generally accepted accounting procedures as set forth by the Kentucky board of accountancy;

(b) Bear the cost of the audit from funds received or collected by him, and the cost of the audit shall be construed as an expense of his office;

(c) Within a reasonable time after the certified public accountant's examination, submit the accountant's written report to the governor, the general assembly, the attorney general, the county officials' compensation board, the state librarian, the state auditor of public accounts, *the state local finance officer,* and the fiscal court and county attorney of his county. In addition, the official shall send the report to a newspaper having general circulation in the county of the official, and the letter of transmittal accompanying the report shall be published in said newspaper in accordance with the provisions of KRS chapter 424.

(3) This section shall not be construed as eliminating the requirement that the books, accounts, and papers of the above named officials be audited yearly. This section shall not preclude the state auditor from reviewing the reports of the certified public accountant. After preliminary review, should discrepancies be found, nothing in this section or in KRS 43.070(1)(b) shall be construed as precluding the auditor's office from making its own investigative report or audit to verify the findings of the independent certified public accountant's report. If such investigative audit be deemed necessary, the expenses to said county official, as directed by KRS 43.070(2), shall be construed as an allowable expense of that office.

Section 41. KRS 65.070 is amended to read as follows:

(1) At least once every twelve (12) months, a district shall:

(a) File with the county clerk of each county with territory in the district a certification showing the name of the district, a map or general description of its service area, the statutory authority under which it was created, and the names and addresses of the members of its governing body and chief executive officer;

(b) File a copy of the district budget, financial statement if prepared, and audit when performed, with the county judge/executive of each county with territory in the district;

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) The *finance and administration cabinet* [~~department for local government~~] shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

Section 42. KRS 66.045 is amended to read as follows:

(1) It is the intent of this section to facilitate, through state technical and advisory assistance, the marketing of local government bonds and other long-term obligations at the lowest possible net interest costs.

(2) (a) "Local government" means a county, city, and other special-purpose district, authority, or public corporation, except a school district, within the state, but which exercises less than statewide jurisdiction.

(b) "Governing body" means the board, commission, or other such body charged with exercising the legislative authority of a local government.

(c) "State local finance officer," as used in this chapter and other provisions of law, *means the secretary of the finance and administration cabinet or his agent designated in writing with the approval of the governor* [~~shall be the department for local government~~].

(d) "Chief financial officer" means the comptroller, treasurer, director of finance or other local government official charged with managing the fiscal affairs of a local government.

(e) "Bonds," as used anywhere in this chapter, means debt payable more than one (1) year after date of issue or incurrence, issued pursuant to the laws authorizing local government borrowing.

(3) Without first notifying the state local finance officer in writing, no bonds may be issued by or on behalf of any local government. The notification shall contain the maturity schedule, interest rate, date of issue, purpose, paying agent, and such other information as the state local finance officer may require to provide a complete file on local government debt.

(4) The state local finance officer may provide technical and advisory assistance regarding the issuance of long-term debt to those local governments whose governing bodies request such assistance. Such assistance shall include, but need not be limited to, (a) advice on the marketing of bonds by local governments, (b) conduct of training courses in debt management for local financial officers, and (c) promotion of the use by local governments of such tools for sound financial management as adequate systems of budgeting, accounting, auditing, and reporting.

Section 43. KRS 66.390 is amended to read as follows:

Ownership of obligations of Kentucky counties shall disqualify the *secretary of the finance and administration cabinet* [~~commissioner of the department for local government~~] or any of his appointees from serving in any capacity incident to the administration of KRS 66.280 to 66.380, or KRS 68.220, 68.250, 68.270, 68.280, 68.310 or 68.320.

Section 44. KRS 68.020 is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall disburse such money in such manner and for such purpose as may be authorized by appropriate authority of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor. All warrants for the payment of funds from the county treasury shall be co-signed by the county treasurer and the county judge/executive.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against anyone having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the *finance and administration cabinet* [~~department for local government~~].

(4) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty (30) days after the close of each fiscal year, he shall make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge/executive shall call a special term which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

Section 45. KRS 91A.040 is amended to read as follows:

(1) Each city shall, as soon as practicable and in no event later than two hundred seventy (270) days after the close of each fiscal year, cause each fund of the city to be audited by the auditor of public accounts or a certified public accountant.

(2) The city shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include, but not be limited to, requirements that:

(a) The auditor be employed to examine the balance sheets of all governmental proprietary and fiduciary funds of the city;

(b) All audit information be prepared in accordance with generally accepted governmental auditing standards which includes such tests of the accounting records and such auditing procedures as considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(c) The auditor prepare a typewritten or printed report embodying financial statements and his opinion and statements relating thereto;

(d) The auditor express an overall opinion as to whether the statement of receipts and expenditures presents fairly the financial condition of the city or state the reasons why an overall opinion cannot be expressed;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting;

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the auditor of public accounts upon request of the city or the auditor of public accounts, and the auditor of public accounts shall have the right to review the certified public accountant's work papers upon request.

(3) Upon completion of an annual audit, the city shall forward two (2) copies of the audit report to the *finance and administration cabinet* [~~department for local government~~] for information purposes.

(4) Upon completion of an annual audit, the city shall publish a summary of the audit in accordance with KRS Chapter 424.

(5) A copy of an annual audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements.

Section 46. KRS 91A.050 is amended to read as follows:

The *finance and administration cabinet* [~~department for local government~~] shall make available to all cities assistance in meeting the requirements of KRS 91A.010 to 91A.060, including the preparation and dissemination of model systems for accounting and budgeting, and other technical materials.

Section 47. KRS 147.072 is amended to read as follows:

(1) There is established an office for program administration under and attached to the *finance and administration* cabinet [~~for development~~].

(2) The office shall be headed by *an executive* [~~a~~] director for program administration. The *executive* director may appoint and employ, with the concurrence of the secretary of the *finance and administration* [~~development~~] cabinet, such assistants and other personnel as the *executive* director deems necessary to carry out and perform the functions vested in the office for program administration.

(3) The office for program administration shall assist the secretary in carrying out his functions and duties pertaining to the overseeing of the cabinet and those agencies directly under the secretary. It shall assist in the coordination of activities of state government for their effective and efficient administration.

[~~(4) The office shall assist the secretary of the cabinet for development in the monitoring of programs as well as assist the secretary of the development cabinet in his role as vice chairman of the state planning committee.~~]

Section 48. KRS 147A.020 is amended to read as follows:

(1) The *finance and administration cabinet* [~~department for local government~~] shall exercise all administrative functions of the state as provided in the county debt act, KRS 66.280 to 66.390; as regards county and local government budgets as provided in KRS 68.210 to 68.360; and as to local government bonds as provided in KRS 66.045.

(2) The *finance and administration cabinet* [~~department for local government~~] shall have the following powers and duties:

(a) To require such reports from local governments as will enable it adequately to provide the technical and advisory assistance authorized by this section. The reports shall provide the necessary information for a complete file on local government debt, which shall be kept open for public inspection at the state local finance offices.

(b) To encourage, conduct, or participate in training courses in debt and general fiscal management and procedures and practices for the benefit of local officials, and in connection therewith, to cooperate with associations of public officials, business and professional organizations, university faculties, or other specialists.

(c) To conduct studies in debt management, including ways and means of appraising the terms of alternative bids.

(d) To request such assistance and information, which shall be provided by all departments, divisions, boards, bureaus, commissions, and other agencies of state government to enable the state local finance officer to carry out his duties under this section.

(e) At its discretion, to compile and publish annually a report. Such report may include detailed information on local government long-term debt issued and retired during the previous year and outstanding, and other available statistical data on local government finances.

(3) The *finance and administration cabinet* [~~department for local government~~] shall coordinate for the governor the state's responsibility for, and shall be responsible for liaison with the appropriate state and federal agencies with respect to the following programs:

(a) [~~Housing and urban development act as amended;~~
~~(b) Demonstration cities and metropolitan development act as amended;~~
~~(c) Farmers home administration;~~
~~(d) Veterans administration act as amended, as it pertains to housing;~~
~~(e)~~] General revenue sharing for local governments.

(4) The *finance and administration cabinet* [~~department for local government~~] shall provide technical assistance and information to units of local government, including but not limited to:

(a) Fiscal management;
(b) [~~Personnel administration;~~
~~(c)~~] Purchases and contracts[~~;~~
~~(d) Ordinances and codes;~~
~~(e) Community development~~].

Section 49. KRS 335.050 is amended to read as follows:

(1) There is hereby created a state board of examiners of social work of Kentucky which shall consist of seven (7) members appointed by the governor. Two (2) members shall be, or be eligible to be, certified social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service, education or research in social work for at least five (5) years. Two (2) members shall be, or be eligible to be, social workers under the provisions of KRS 335.010 to 335.160 and 335.990, who shall have rendered service in social work for at least two (2) years. Two (2) members shall be, or be eligible to be, certified social workers licensed under the provisions of KRS 335.010 to 335.160 and 335.990 to engage in the independent practice of social work. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The social worker member shall be appointed from a list of names of qualified persons submitted by any interested parties The governor may request the submission of additional names.

(2) Members of the board shall be appointed for terms of four (4) years except appointments to fill vacancies caused by a reason other than the expiration of a member's term. Upon recommendation of the board, made after notice and hearing, the governor may remove any member of the board for incompetence, neglect of duty, or malfeasance in office.

(3) Any vacancy of a social worker member shall be filled term by the governor from a list as described in subsection (1) of this section.

(4) The board shall organize upon appointment and qualification of its members, and shall elect annually from its membership a chairman, vice chairman, and a secretary. The board shall meet in February and in August of each year, and as frequently as it deems necessary at such times and places as the board designates. The additional meetings may be held upon call of the chairman or upon the written request of three (3) members of the board. Four (4) members of the board shall constitute a quorum.

(5) The board shall be attached to the division of occupations and professions in the [~~executive department for~~] finance and administration *cabinet* pursuant to the provisions of KRS *42.066* [~~42.064~~].

Section 50. The Reviser of Statutes shall make the following changes in the Kentucky Revised Statutes to conform to Section 4 of this Act:

(1) "Department of justice" shall be changed to "justice cabinet," "office for public advocacy" shall be changed to "department of public advocacy," "bureau of state police" shall be changed to "department of state police," and "bureau of training" shall be changed to "department of training."

(2) Within the education and humanities cabinet, "bureau for the blind" shall be changed to "department for the blind."

(3) "Department for natural resources and environmental protection" shall be changed to "natural resources and environmental protection cabinet," "bureau for environmental protection" shall be changed to "department for environmental protection," "bureau for natural resources" shall be changed to "department for natural resources," and "bureau for surface mining reclamation and enforcement" shall be changed to "department for surface mining reclamation and enforcement."

(4) "Department of transportation" to "transportation cabinet," "bureau of highways" to "department of highways," and "bureau of vehicle regulation" to "department of vehicle regulation."

(5) "Department for human resources" to "cabinet for human resources," "bureau for health services" to "department for health services," "bureau for manpower services" to "department for manpower services," "bureau for social insurance" to "department for social insurance," and "bureau for social services" to "department for social services."

Section 51. The following KRS sections are hereby repealed:

12.280 Spindletop Foundation.
42.015 Transfer of functions, powers and duties to department and secretary.
42.026 Bureau of computer services established — Organization — Duties.
42.028 Bureau of public properties established — Organization — Duties.
42.062 Definition for KRS 42.064 and 42.066.
42.064 Division of occupations and professions.
45.235 Social security appropriations not to lapse at end of first fiscal year of biennium.

Section 52. This Act conforms executive orders 80-457, 80-573, 80-592, 80-633, 80-725, 80-787, 81-112, 81-140, 81-287, 81-581 and 81-1028 in those aspects of those orders that pertain to the department of finance, the finance and administration cabinet, and their affiliated agencies.

Senate Amendment No. 1 to the Senate Committee Substitute to **HB 657** is as follows:

Amend printed copy of Senate Committee Substitute to **HB 657** as follows, on page 90, after line by 9 by adding the following:

"Section 53. KRS 453.010 is reenacted and amended to read as follows:

(1) No judgment for costs shall be rendered against the Commonwealth in any action prosecuted by or against the Commonwealth in its own right, *unless specifically provided by statute*; provided, however, that in any civil action filed in any court of competent jurisdiction by or against the Commonwealth of Kentucky, the costs may be paid by the Commonwealth when such costs are approved and allowed by the judge of the court in which the case was filed. Costs shall not exceed the fees allowed for similar services in other civil actions."

Representative LeMaster moved that the House concur in the Senate Committee Substitute to **HB 657**. Agreed.

Representative LeMaster moved that the House concur in Senate Amendment no. 1 to the Senate Committee Substitute to **HB 657**. Agreed.

Representative LeMaster moved that **HB 657**, by way of Senate Committee Substitute as amended, be passed.

Roll call on **HB 657**, by way of Senate Committee Substitute as amended, showed 54 yeas - 20 nays.

HB 657, by way of Senate Committee Substitute as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 657**, by way of Senate Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster filed the Conference Committee Report on **HB 571** which stated the Conference Committee failed to reach agreement and requested a Free Conference Committee be appointed.

Representative LeMaster moved that the Conference Committee Report on **HB 571** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 571**.

The following members were appointed to serve on the Conference Committee on **HB 785**: Representative Donnermeyer, Chairman; Representatives Dunn and Allen.

SB 264, with Floor Amendment attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Clapp moved that the House refuse to recede in Floor Amendment No. 1 to **SB 264**. Agreed.

A Conference Committee on **SB 264** was requested.

SB 7, with Committee Substitute attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Bendl moved that the House refuse to recede from the Committee Substitute to **SB 7.** Agreed.

A Conference Committee on **SB 7** was requested.

The following members were appointed to the Conference Committee on **SB 7:** Representative Bendl, Chairman; Representatives Freibert and P. Clark.

SB 316, with Floor Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative LeMaster moved that the House refuse to recede from the Amendments to **SB 316.** Agreed.

A Conference Committee was requested on **SB 316.**

Senate Message

The Senate has appointed members to the Free Conference Committees on **SB 279** and **HB 571.**

SB 348 returned with the following message: The Senate has refused to concur in the Amendment to **SB 348** and asks that a Conference Committee be appointed. The Senate has appointed members to serve on this committee.

HB 26 returned with the following message: The Senate has adopted the Free Conference Committee Report on **HB 26** and is notifying this Honorable Body that it has repassed the bill as amended in free conference.

HB 402 returned with the following message: The Senate has receded from Amendment No. 1 to **HB 402.**

Orders of the Day (continued)

HB 83 taken from Orders of the Day. Representative LeMaster moved that the Senate Amendments thereto be considered. Agreed.

Representative Blandford moved that the House refuse to concur in the Senate Amendments to **HB 83.** Agreed.

The following members were appointed to the Conference Committee on **SB 264:** Representative Harper, Chairman; Representatives Curd and Handy.

The following members were appointed to the Conference Committee on **SB 316:** Representative Clapp, Chairman; Representatives Schmidt and B. Richardson.

The following members were appointed to the Conference Committee on **HB 83:** Representative Blandford, Chairman; Representatives Turner and Gray.

HB 415, as amended by Senate Committee Substitute, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Mann moved that the House refuse to concur in the Senate Committee Substitute to **HB 415.** Agreed.

The following members were appointed to the Conference Committee on **HB 415:** Representative Hancock, Chairman; Representatives Barrows and Mann.

SB 340 taken from Orders of the Day. Representative LeMaster moved that the House refuse to recede from its Amendments. Agreed.

The following members were appointed to the Conference Committee on **SB 340:** Representative Farrow, Chairman; Representatives Holloway and Burch.

SB 74 taken from Orders of the Day. Representative White moved that the House refuse to recede from its Amendment. Agreed.

The following members were appointed to the Conference Committee on **SB 74:** Representative Foster, Chairman; Representatives B. Smith and Perkins.

SB 96 taken from Orders of the Day. Representative LeMaster moved that the House refuse to recede from its Amendment to **SB 96.** Agreed.

The following members were appointed to a Conference Committee on **SB 96:** Representative LeMaster, Chairman; Representatives Overstreet and Deskins.

Recess

Representative LeMaster moved that the House recess until 11:00 a.m. (Time - 10:20)

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

The Senate has appointed members to Free Conference Committees on **HB 295, HB 378, HB 475, HB 525, HB 649.**

SB 7, SB 82, and **SB 96** returned with message that Senate has refused to concur in House Amendments and requests a Conference Committee. The Senate appointed members to serve on the Conference Committees on these bills.

HB 83 and **HB 415** returned with the message that Senate has refused to recede from its Amendments and requests a Conference Committee. The Senate appointed members to serve on the Conference Committees on these bills.

Orders of the Day (continued)

Representative Donnermeyer filed the Conference Committee Report on **HB 785** which stated that the Conference Committee Failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative Donnermeyer moved that the Conference Committee Report on **HB 785** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 785.**

Representative LeMaster filed the Conference Committee Report on **HB 295** which stated that the Conference Committee failed to reach an agreement and requested the appointment of a Free Conference Committee.

Representative LeMaster moved that the Conference Committee Report on **HB 295** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 295.**

Representative Thomason filed the Conference Committee Report on **HB 649** which stated that the Conference Committee failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative Thomason moved that the Conference Committee Report on **HB 649** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 649.**

Representative LeMaster filed the Conference Committee Report on **HB 378** which stated that Conference Committee filed to reach agreement and requested the appointment of a Free Conference Committee.

Representative LeMaster moved that the Conference Committee Report on **HB 378** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 378.**

Representative LeMaster filed the Conference Committee Report on **HB 525** which stated that the Conference Committee failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative LeMaster moved that the Conference Committee Report on **HB 525** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 525.**

Representative Foster filed the Conference Committee Report on **SB 234** which stated that the Conference Committee failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative Foster moved that the Conference Committee Report on **SB 234** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 234.**

Representative Thomason filed the Conference Committee reported on **HB 475** which stated that the Conference Committee failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative Donnermeyer moved that the Conference Committee Report on **HB 475** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **HB 475.**

Recess

Representative LeMaster moved that the House recess until 1:00 p.m. Agreed.

At the appointed hour, the Speaker assumed the Chair and called the House to order.

Senate Message

The Senate appointed members to serve on the Free Conference Committees on **SB 316** and **HB 785.**

Orders of the Day (continued)

The following members were appointed to the Conference Committee on **SB 82:** Representative Lundergan, Chairman; Representatives Meyer and Cline.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 94, SB 138, SB 148, SB 180, SB 282, SB 296, SB 352, SB 392, SB 402,** and **SB 382** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 1:50 p.m.)

Orders of the Day (continued)

The Conference Committee report on **SB 96** was filed stating that the Conference Committee failed to reach agreement and requesting the appointment of a Free Conference Committee.

Representative LeMaster moved that the Conference Committee Report on **SB 96** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 96.**

The Conference Committee report on **SB 74** was filed stating that the Conference Committee failed to reach agreement and requesting the appointment of a Free Conference Committee.

Representative Foster moved that the Conference Committee Report on **SB 74** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 74.**

The Conference Committee Report on **SB 348** was filed stating that the Conference Committee failed to reach agreement and requesting the appointment of a Free Conference Committee.

Representative Petty moved that the Conference Committee Report on **SB 348** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 348.**

The Conference Committee Report was filed on **SB 264** stating that the Conference Committee failed to reach agreement and requesting the appointment of a Free Conference Committee.

Representative Curd moved that the Conference Committee Report on **SB 264** be accepted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 264.**

Representative Cyrus moved that the following Free Conference Report on **HB 308** be accepted:

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

1) Amend Senate Floor Amendment No. 2 to **HB 308** by deleting "*eleven (11)*" and inserting in lieu thereof "*nine (9)*"; and

2) that **HB 308** be amended on page 36, line 21, by inserting the following after "*service*": "*of the Kentucky employes' retirement system and determined to be in a hazardous position, of the county employes' retirement system and determined to be in a hazardous position or of the state police retirement system,*"

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members Delbert Murphy, Henry Lackey, William C. McGee; House Members J. Barrows, Charles O. Petty, Ron Cyrus.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME 9:30 A.M. Room 324, Capitol

Agreed.

Representative LeMaster moved that **HB 308**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was yeas 72-Allen, Arnold, Bendl, Bennett, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Gray, Haering, Handy, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 2-Pearman, Todd.

HB 308, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 308**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 42, HB 105, HB 107, HB 116, HB 244, HB 429, HB 526, HB 546, HB 639, HB 682, HB 1, HB 77, HB 503, HB 711,** and **HB 724** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:07 p.m.)

HB 42, HB 105, HB 107, HB 116, HB 244, HB 429, HB 526, HB 546, HB 639, HB 682, HB 1, HB 77, HB 503, HB 711, and **HB 724** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

Representative Thomason moved that the following Free Conference Committee Report on **HB 649** be accepted. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

Amend House Bill 649 on page 105, after line 23, by inserting the following:

"Section 80. This act shall become effective July 1, 1983."

Signed by Senators Joseph Prather, Frank Miller, Delbert Murphy; Representatives David Thomason, Roger Noe, Harry Moberly.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 10:05 ROOM: 300

Representative LeMaster moved that **HB 649** be taken from Orders of the Day and passed as amended by the Free Conference Committee Report.

On the roll call the vote was yeas 71-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Foster, Freibert, Gray, Haering, Handy, Head, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 12-Allen, Endicott, Ford, Fryman, Layman, Lefevers, Lile, Moore, Overstreet, Patrick, Todd, Turner.

HB 649, as amended by the Free Conference Committee, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 649,** as amended by the Free Conference Committee, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Thomason moved that the following Free Conference Committee Report on **HB 475** be accepted. Agreed.

The free conference committee on **HB 475/SCS** has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

1. Amend Senate Committee Substitute to read as follows:

Page 2, line 1, delete the figure "$45,794,000" and insert in lieu thereof the figure "$46,344,500"

And on line 2, delete the figure "$48,651,200" and insert in lieu thereof the figure "$49,527,700"

And on page 4, line 1, delete the figure "$52,434,400" and insert in lieu there of the figure "$52,984,900"

And on line 2, delete the figure "$56,150,300" and insert in lieu there of the figure "$57,026,800"

And on line 20, delete "$54,801,700" and insert in lieu thereof the figure "$55,352,200"

and on line 21, delete the figure "$58,524,900" and insert in lieu thereof the figure "$59,401,400.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members Lowell T. Hughes, Michael Moloney, James Bunning, Ed O'Daniel, John Doug Hays; House Members Thomas Jones, Charles Holbrook, III, Raymond Overstreet, Marshall Long, David Thomason.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: 3-31-82 TIME: 2:45 P.M. ROOM: 327

Representative Thomason moved that **HB 475,** as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was yeas 73-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Guenthner, Haering, Handy, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kidd, Layman, Lefevers, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noland, O'Brien, Overstreet, Patrick, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Fryman, Gray, Noe, Pearman.

HB 475, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Thomason moved that the vote by which **HB 475,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table.

Representative LeMaster moved that the following Conference Committee Report on **HB 83** be accepted. Agreed.

CONFERENCE COMMITTEE REPORT

MEMORANDUM

TO: Chief Clerk, House of Representatives

DATE: MARCH 31, 1982

TIME: 12:00 Noon

ROOM: 316, Capitol

SUBJECT: **HB 83**

The Conference Committee on **HB 83** has met, and concurred in Senate Amendment #2 and refused to concur in Senate Amendment #3.

Signed: Senate Members Charles Berger, Benny Ray Bailey; House Members Donald Blandford, Richard Turner.

Representative LeMaster moved that **HB 83,** as amended by the Conference Committee Report, be passed.

On the roll call the vote was yeas 53-Allen, Arnold, Bendl, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Caldwell, Clark, Cowan, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Ford, Freibert, Handy, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kidd, Layman, List, McBee, McNutt, Meyer, Moberly, O'Brien, Overstreet, Perkins, Petty, Rapier, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Van Horn, Williams, Yates. Nays 9-Deskins, Fryman, Gray, Head, Lefevers, Little, Maggard, Moore, Noe.

HB 83, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 83,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative List moved that the following Free Conference Committee Report on **SB 279** be accepted.

The free conference committee has met as provided in the rules of the House and the Senate and hereby reports the following to be adopted:

The Committee agreed to adopt the House Committee Substitute as amended in the House, with additional amendments, as attached.

Amend printed copy of House Committee Substitute for **SB 279,** page 8, line 25, by inserting after the "." the following:

"*The board shall give public notice of the time and place of the hearing in the manner set forth in KRS Chpater 424 in the county where the facility is proposed to be located and in all counties contiguous to said host county.*"; and

on page 9, line 13, by deleting "*8*" and inserting in lieu thereof "*10*"; and

on page 9, line 15, before the word "*evaluate*" by inserting the words "*and shall*"; and

on page 9, line 19, by deleting "*8*" and inserting in lieu thereof "*10*"; and

on page 12, after line 3, by inserting the following:

"*the state's hazardous waste management needs and*"

on page 13, line 13, by inserting after "*evaluate the*" insert the words "*integration and operation of the*"; and

on page 15, line 2, before the semicolon ";" by inserting the following: "*and the hazardous waste has been treated to the extent practicable to render it less hazardous by commercially feasible treatment technologies which shall be applied prior to landfilling*"; and on page 16, before line 1, by inserting the following: "*The approved site for a regional integrated waste treat-*"; and

on page 21, line 15, after the comma "," by inserting the following: "*including a regional integrated waste treatment and disposal demonstration facility as defined in KRS Chapter 224,*"; and

on page 34, line 24, by deleting "*Sections 1-11*" and inserting in lieu thereof "*Sections 1-10*"; and

on page 36, following line 2, by inserting the following:

"Section 16. KRS 224.880 is amended to read as follows:
(1) No person shall establish, construct, operate, maintain, or permit the use of a waste disposal site or facility without first having obtained a permit from the department to establish, construct, maintain, operate or permit the use of the waste disposal site or facility pursuant to rules and regulations promulgated by the department.
(2) In counties containing cities of the first class, no permit shall be issued for a facility for the land disposal of solid waste as defined in KRS 224.005 not in existence on the effective date of this Act if such facility is located within one (1) mile of any incorporated area.

Section 17. The University of Kentucky and the University of Louisville shall conduct a feasibility study, coordinated by the department for natural resources and environmental protection (DNREP), of building and operating a storage/treatment facility to manage all Kentucky generated radioactive waste, not otherwise managed by the generator. Such feasibility study should include, but not be limited to:
(1) Size of such facility, based on Kentucky's present and projected needs.
(2) Identification of environmental and occupational hazards of such a facility.
(3) Identification of regulatory requirements, federal, state, and local, which must be met.
(4) All costs for such a facility, including capital, operating, and closure. The DNREP shall report at least every six (6) months to the appropriate interim joint committee of the legislative research commission on the scope and status of the feasibility study.
Section 18. *The Board shall neither receive nor act upon any application for a certificate of environmental safety and public necessity until July 1, 1983.*"; and

on page 32, line 26, after the period "." by inserting the following:

"*A hazardous waste disposal facility shall maintain additional excess liability coverage in the amount of at least ten million dollars ($10,000,000)*"; and

on page 33, lines 3-4, by deleting "*three million dollars ($3,000,000)*" and inserting in lieu thereof "*five million dollars ($5,000,000)*"; and

on page 33, line 5, by deleting "*six million dollars ($6,000,000)*" and inserting in lieu thereof "*ten million dollars ($10,000,000)*".

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members Ed Ford, William Quinlan, Kenneth Gibson; House Members Henry List, James Dunn, Pete Worthington.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 11:50 A.M.

On the roll call the vote was yeas 49-Bendl, Bennett, Blandford, Bronger, Burch, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Guenthner, Hines, Holbrook, Holloway, R. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, McNutt, Meyer, O'Brien, Patrick, Petty, Priddy, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, Williams, Yates. Nays 33-Allen, Arnold, Barrows, Blevins, Boswell, Brinkley, Brown, Cline, Crupper, Dawahare, Endicott, Farrow, Ford, Fryman, Haering, Heleringer, Johnson, T. Jones, Layman, Long, Maggard, Mann, Moberly, Moore, Nett, Noe, Overstreet, Perkins, Rapier, Thomas, Todd, White, Worthington.

The Free Conference Committee Report on **SB 279** was adopted.

Representative LeMaster moved that **SB 279,** as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was yeas 51-Bendl, Bennett, Bruce, Burch, Caldwell, Clapp, Clark, Clarke, Cowan, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Foster, Freibert, Guenthner, Harper, Hines, Holbrook, Holloway, R. Jones, Kidd, Lefevers, LeMaster, Lile, List, Little, McBee, McNutt, Meyer, Morris, O'Brien, Patrick, Priddy, Rattliff, Richards, B. Richrdson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Turner, Williams, Yates. Nays 32-Allen, Arnold, Barrows, Blevins, Boswell, Brinkley, Brown, Cline, Crupper, Dawahare, Endicott, Farrow, Ford, Fryman, Heleringer, Johnson, T. Jones, Layman, Long, Maggard, Mann, Moberly, Moore, Nett, Noe, Overstreet, Perkins, Rapier, Todd, Van Horn, White, Worthington.

SB 279, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 279,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Bendl moved that the following Conference Committee Report on **SB 7** be accepted. Agreed.

The conference committee recommends the following: The adoption of the attached amendments to the House Committee Substitute for **SB 7.**

On page 2, line 5, by inserting after the word "*actual*" the following: "*or potential*"

and on page 2, by deleting lines 18 through 25 in their entirety

and on page 3, line 3, by deleting line 3 in its entirety

and on line 4 by deleting the following: "*ties and*"

and on line 15, by deleting the word "*formularies*"

and by deleting the bracket before "~~formulary~~"

and by deleting the bracket after "~~formulary~~"

and by deleting the strike throughs in the word "~~formulary~~"

and on line 20, by deleting the word "*formularies*"

and by deleting the bracket before "~~formulary~~"

and by deleting the bracket after "~~formulary~~"

and by deleting the strike throughs in the word "~~formulary~~"

and on line 21, by inserting after the word "revised" the following: "*and distributed as often*"

and on line 21, by placing a bracket before the word "from" and after the words "to time," and by placing strike throughs in the words "from time to time,"

and on line 23, by inserting after the word "available" the following:

"*from the United States food and drug administration*"

and on page 4, line 1, by deleting the word "*either*" and substituting in lieu thereof the following: "*the nonequivalent drug product*"

and on page 4, line 10, by deleting the words "*from the*" and by deleting line 11 in its entirety.

Signed: Senate Member J. E. Trevey, Woodrow Stamper, Clyde Middleton; House Members Paul Clark, Gerta Bendl, Pat Freibert.

DATE: March 31, 1982 TIME: 12 Noon.

Representative LeMaster moved that **SB 7,** as amended by the Conference Committee Report, be passed.

On the roll call the vote was yeas 66-Barrows, Bendl, Bennett, Blevins, Boswell, Brown, Bruce, Caldwell, Clark, Clarke, Cowan, Craddock, Cyrus, Dunn, Ellington, Ford, Freibert, Haering, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, White, Williams, Worthington, Yates. Nays 9-Allen, Burch, Clapp, Crupper, Curd, Farrow, Gray, Petty, Van Horn.

SB 7, as amended by Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 7,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Farrow moved the adoption of the following Conference Committee Report on **SB 340.** Agreed.

The conference committee on **SB 340** has met and recommends the following:

House receded from its Amendment. All committee members concurred.

Signed: Senate Members Charles Higdon, Charles Berger, J. Lane Travis; House Members Mark Farrow, Edward Holloway, Tom Burch.

DATE: March 31, 1982 TIME: 1:00 P.M.

Representative LeMaster moved that **SB 340,** as amended by the Conference Committee Report, be passed.

On the roll call the vote was yeas 66-Allen, Arnold, Blevins, Boswell, Brinkley, Brown, Bruce, Caldwell, Clapp, Clark, Clarke, Cowan, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Freibert, Gray, Guenthner, Haering, Hancock, Hines, Holbrook, Holloway, Johnson, R. Jones, Kidd, Layman, Lefevers, Lile, List, Little, Long, McBee, McNutt, Morris, O'Brien, Perkins, Petty, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 3-Barrows, T. Jones, Moore.

SB 340, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 340,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

The Senate has appointed members to the Free Conference Committees on **SB 96, SB 264,** and **SB 348.**

Report on Enrolled Bills

The Committee on Enrollment reported **SB 103, SB 216,** and **SB 243** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:55 p.m.)

Recess

Representative LeMaster moved that the House recess for fifteen minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

Representative Petty moved that the following Free Conference Committee Report on **SB 348** be accepted. Agreed.

The Free Conference Committee Report on **SB 348** is as follows:

The free conference committee on **SB 348** has met as provided in the rules of the House and the Senate and hereby reports the following to be adopted:

Met and agreed unanimously on the attached:

AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.450 is amended to read as follows:

(1) A license that might be issued under KRS 243.020 to 243.670 shall be refused:

(a) If the applicant or the premises for which the license is sought do not comply fully with all alcoholic beverage control statutes, the regulations of the board, all ordinances relative to the regulation of the manufacture, sale and transportation of alcoholic beverages, and all regulations of a city administrator or county administrator;

(b) If the applicant has done any act for which a revocation of license would be authorized; or

(c) If the applicant has made any false material statement in his application.

(2) A license that might be issued under KRS 243.020 to 243.670 may be refused by a state administrator for any reason which he, in the exercise of his sound discretion, may deem sufficient. *Among those factors that the administrator shall consider in the exercise of his discretion are: public sentiment in the area; number of licensed outlets in the area; potential for future growth; type of area involved; type of transportation available; and financial potential of the area.*

Section 2. KRS 244.290 is amended to read as follows:

(1) No premises for which there has been granted a license for the sale of distilled spirits or wine at retail shall be permitted to remain open for any purpose between midnight and 8 a.m., or at any time during the twenty-four hours of a Sunday, or during the hours the polls are open on any regular, primary, school or special election day, provided, that if a licensee provides a separate department within his licensed premises capable of being locked and closed off, within which is kept all stocks of distilled spirits and wine, and all fixtures and apparatus connected with his business as a licensee, and said department is kept locked during the times mentioned above, he shall be deemed to have complied with this section; except that the city council, board of aldermen or other municipal legislative body of cities of the first, second, [~~or~~] third *or fourth* class in which traffic in distilled spirits and wine is permitted under KRS chapter 242 shall have the exclusive right and power, by ordinance duly enacted, to establish the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries, and except further that the fiscal court of each county in which cities of the first, second, [~~or~~] third *or fourth* class are located shall have the exclusive right and power to establish the hours and times in which distilled spirits and wine may be sold over that portion of the county which lies without the corporate limits of such cities, except any portion in which distilled spirits and wine are prohibited from being sold. Provided, however, that no distilled spirits or wine may be sold in any portion of the counties containing cities of the first, second, [~~or~~] third *or fourth* class during the twenty-four hours between 6 a.m. Sunday and 6 a.m. Monday, except as provided in subsection (2) of this section, and that no distilled spirits or wine may be sold on any election day while the polls are still open; and provided, also, that all stocks of distilled spirits and wine must be kept locked during the hours which the licensee is prohibited from selling same.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine is permitted under KRS chapter 242, an election on the question of permitting the sale of distilled

spirits and wine by the drink on Sunday may be held as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the form of the proposition shall be, "Are you in favor of the sale of distilled spirits and wine by the drink between the hours of one p.m. and midnight on Sunday in (name of county)?"

(3) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted on Sunday as provided in subsection (2) of this section, holders of distilled spirits and wine retail drink licenses may apply to the administrator of the distilled spirits unit for a special Sunday sale retail drink license. Upon receipt of an application and payment of the prescribed fee, the administrator shall issue a license.

Section 3. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, [~~or~~] third *or fourth* class in which traffic in malt beverages is permitted by KRS chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, [~~or~~] third *or fourth* class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second or third class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open.

Signed by: Senators William L. Quinlan, Georgia M. Powers, Danny Meyer; Representatives Charles Petty, Terry Mann, Frank Smith.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 1 P.M.

Representative LeMaster moved that **SB 348** be taken from Orders of the Day and placed upon its passage as amended by the Free Conference Committee Report. Agreed.

On the roll call the vote was yeas 45-Arnold, Bendl, Bennett, Boswell, Burch, Clark, Cowan, Craddock, Cyrus, Donnermeyer, Dunn, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, LeMaster, List, Long, McBee, McNutt, Meyer, Nett, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Worthington, Yates. Nays 28-Allen, Blevins, Brinkley, Bruce, Burnette, Curd, Dawahare, Ellington, Farrow, Ford, Freibert, Fryman, Gray, Head, Lile, Little, Maggard, Moberly, Moore, Morris, Noe, Pearman, Rattliff, Riner, Todd, Turner, Van Horn, Williams.

SB 348, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 348,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

The Senate has adopted the Free Conference Committee Reports on **HB 308, HB 475, HB 525,** and **HB 649** and has repassed the Bills as amended.

Orders of the Day (continued)

HB 336, as amended by the Senate, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Meyer moved that **HB 336,** as amended by the Senate, be passed.

On the roll call the vote was yeas 68-Arnold, Bendl, Bennett, Blevins, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clark, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Ford, Freibert, Gray, Handy, Harper, Head, Heleringer, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Lile, List, Long, Lundergan, McBee, McNutt, Meyer, Morris, Nett, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 13-Allen, Brown, Farrow, Fryman, Johnson, Layman, Little, Maggard, Moberly, Moore, Noe, Overstreet, Rattliff.

HB 336, as amended by the Senate, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 336,** as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 188, HB 315, HB 460, HB 483, HB 648, HB 657, HB 686,** and **HB 820** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 4:05 p.m.)

HB 188, HB 315, HB 460, HB 483, HB 648, HB 657, HB 686, and **HB 820** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (continued)

Representative Schmidt moved that following Free Conference Committee Report on **HB 525** be accepted. Agreed.

The free conference committee on **HB 525** has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

1. That the Senate Committee Substitute for House Bill 525 be adopted with amendment.
2. The amendment being to delete the proposed subsection (d) from KRS 15.360. by the following:

Amend the printed copy of the Senate Committee Substitute for House Bill 525 on page 14, line 5 by deleting "*Provisions for waiver of instructor certifi-*"

and on page 14, lines 6 and 7, to delete the same

and on page 14, line 8, to delete "(e)"

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Senate Members J. Trevey, Joe Wright; Representatives Art Schmidt, L. E. Cline.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 1:00 ROOM: 330

Representative LeMaster moved that **HB 525,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 67-Allen, Arnold, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Ford, Fryman, Gray, Guenthner, Handy, Harper, Heleringer, Hines, Holbrook, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Little, Long, Maggard, Mann, McBee, McNutt, Moberly, Morris, Nett, Noe, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, Richards, B. Richardson, Riner, Schmidt, Seum, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, Yates. Nays 8-Blevins, Freibert, Head, Lile, Meyer, Moore, Overstreet, Worthington.

HB 525, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 525,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table agreed.

Representative Burnette moved the adoption of the following Free Conference Committee Report on **HB 378.** Agreed.

The free conference committee on **HB 378** has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

The Free Conference Committee recommended that the following version for **HB 378** be adopted.

(1) The Senate receded from Senate Floor Amendment #2.

(2) That **HB 378** be amended by adding the attached on page 2, after Section 1.

(3) The title to **HB 378** be amended to read as follows: "AN ACT relating to county officials."

"Section 2. KRS 64.770 is amended to read as follows:

(1) The county officials' compensation board is hereby created and shall consist of the secretary of the department of finance, the state-local finance officer, the president of each of the state associations of county clerks, county judges/executive, county attorneys, justices of the peace and commissioners, sheriffs, jailers, and coroners, three (3) members of the general assembly appointed by *the governor from a list of possible appointees submitted to him by* the legislative research commission, and two (2) citizens of the Commonwealth appointed by the governor. The legislative members shall be appointed for terms of two (2) years, unless their legislative term expires prior to the expiration of their term on the board, in which case a vacancy shall exist. Citizen members shall be appointed for terms of four (4) years. The terms of the members representing the state associations shall be identical to the term of their office as president of the state association. Vacancies shall be filled for the unexpired portion of any term in the same manner as an original appointment.

(2) The secretary of the department of finance may, by written order filed with the chairman of the board, designate a deputy or other representative in his department to serve in his stead and to perform his duties as a member of the board in his absence. Such designation shall be deemed temporary and shall not affect the merit system or retirement rights of any person so designated. *Other members may designate by proxy another person to serve in his stead. Such proxies shall clearly state the purpose and the length of time such proxies shall be in effect, but any such proxy shall be subject to immediate termination by the person initially authorizing the proxy. All proxies shall be filed with the chairman or secretary of the board.*

(3)[~~(2)~~] No salary or other compensation shall be allowed any member of the board, but each member *or person serving as a* proxy may be reimbursed for actual and necessary expenses incurred in the performance of his official duties.

(4)[~~(3)~~] The board shall select one (1) of its members as chairman and another member as vice-chairman at its first regular meeting in each calendar year. The secretary of the department of finance *or his designee* shall be secretary of the board and *the secretary of the department of finance* [~~his office~~] shall be responsible for administering the clerical functions of the board.

(5)[~~(4)~~] The board *may* [~~shall~~] hold [~~regular~~] meetings at least once every three (3) months. Special meetings may be called by the chairman or by five (5) members of the board by delivery of a written notice to the office or residence of each member of the board at least ten (10) days in advance of the date of any special meeting. *Five (5)* [~~Eight (8)~~] members of the board shall constitute a quorum at any meeting. The board shall establish bylaws for the conduct of its meetings and shall keep an accurate record of all its proceedings.

(6)[~~(5)~~] The board may employ and compensate such personnel and consultants as may be necessary to effectuate the provisions of KRS 64.780.

Section 3. KRS 64.530 is amended to read as follows:

(1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the compensation of every county officer and employe except the officers named in KRS 64.535 and the county attorney. The fiscal court may provide a salary for the county attorney.

(2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employes, but employes of county boards or commissions which are now authorized by law to fix the compensation of their employes shall not be deemed to be county employes for the purposes of this section.

(3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court may also fix the number of deputies and assistants, and, the compensation thereof, and the maximum amount that the officer may expend each year for expenses of his office.

(4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.

(5) Nothing in this section shall apply to property valuation administrators or their deputies, assistants and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants and expenses, in counties having a population of 75,000 or more.

(6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third or fourth class, shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first class shall not exceed nine thousand six hundred dollars ($9,600) per year, in counties containing cities of the second class it shall not exceed nine thousand dollars ($9,000) per year and in counties containing cities of the third or fourth class it shall not exceed twenty percent (20%) more than the annual compensation paid in the county for the calendar year immediately preceding 1974, and all of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; *provided, however justices of the peace and county commissioners may receive no more than three thousand six hundred dollars ($3,600) annually or three hundred dollars ($300) per month as as expense allowance for serving on committees of the fiscal court* [~~nor shall they receive any compensation for serving on committees of the fiscal court~~]. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office."

Signed: Senators William McGee, John Rogers, Ed Ford; Representatives Carolyn L. Kenton, Ward Burnette.

Representative LeMaster moved that **HB 378,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 79-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Ford, Fryman, Gray, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Worthington, Yates. Nays 3-Caldwell, Freibert, Meyer.

HB 378, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 378,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Clarke moved that the following Free Conference Committee Report on **HB 571** be accepted. Agreed.

The free conference committee on **HB 571** has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

1. The Second Senate Committee Substitute for House Bill 571.

2. Senate Floor Amendments to the Second Senate Committee Substitute for House Bill 571, numbers 2, 4, and 5.

3. The repeal of KRS 244.245, by adding on page 23 of the Second Senate Committee Substitute for House Bill 571, after line 9, the following: 244.245 Contract requirements—pricing—filing requirements—penalties.

4. An effective date of June 1, 1982 by adding, on page 23 of the Second Senate Committee Substitute for House Bill 571, after line 9, the following:

Section 19. Whereas it is necessary to increase revenues accruing to the General Fund for fiscal year 1982-83; and whereas the provisions of this Act will so increase revenues accruing to the General Fund; and whereas it is necessary that taxes for a 12-month period accrue to the General Fund during fiscal year 1982-83; therefore, an emergency is declared to exist and provisions of this Act shall become effective June 1, 1982.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members James P. Bunning, Lowell Hughes, Michael Moloney, Ed O'Daniel, John Doug Hays; House Members Jerry Bronger, J. Clark, Kenny Rapier, Mark O'Brien.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 10:05 A.M. ROOM: 327

Representative William Donnermeyer votes *non concurrence*

Representative LeMaster moved that **HB 571,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 58-Arnold, Bendl, Bennett, Blandford, Blevins, Brinkley, Bronger, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Endicott, Fryman, Gray, Handy, Head, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Long, Maggard, Mann, McBee, Meyer, Moberly, Moore, Nett, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Richards, B. Richardson, Riner, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Yates. Nays 23-Allen, Boswell, Bruce, Caldwell, Dawahare, Farrow, Freibert, Guenthner, Harper, Heleringer, Holbrook, Layman, Lile, Lundergan, McNutt, Morris, Overstreet, Rapier, Schmidt, Seum, Turner, Van Horn, Worthington.

HB 571, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 571,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Donnermeyer moved that the following Free Conference Committee Report on **HB 785** be accepted. Agreed.

The free conference committee on **HB 785** has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

Recommends that Senate Committee Amendment #1 to House Bill 785 be adopted and amended to read as follows:

On page 2, line 2, by deleting the word "*A*" and by inserting in lieu thereof: "*The heritage council shall include a*"; and,

on page 2, line 2, by deleting "*which*" and by inserting in lieu thereof "*whose*"; and, on page 2, line 10, by inserting after the period: "*The heritage council and the heritage division shall not be subject to reorganization.*"

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members Pat McCuiston, J. Trevey, John Rose; House Members Woody Allen, James Dunn, William Donnermeyer.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 12:35 ROOM: 300

Representative LeMaster moved that **HB 785,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 79-Allen, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Caldwell, Clark, Cline, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Ford, Freibert, Gray, Guenthner, Haering, Handy, Harper, Heleringer, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Long, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 0.

HB 785, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 785,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Clapp filed the Conference Committee Report on **SB 316** which stated that the Conference Committee failed to reach agreement and requested the appointment of a Free Conference Committee.

Representative Clapp moved that the Conference Committee Report on **SB 316** be adopted. Agreed.

The same members were appointed to serve on the Free Conference Committee on **SB 316.**

Representative Clapp moved the adoption of the following Free Conference Committee Report on **SB 316.** Agreed.

The free conference committee on **SB 316** has met as provided in the rules of the House and the Senate and thereby reports the following to be adopted:

The Free Conference Committee recommends that the attached version for **SB 316** be adopted.

Amend printed copy of **SB 316,** page 19, after line 25 by inserting the following:

"Section 13. KRS 350.139 is amended to read as follows:

(1) All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

(2) The state treasurer shall on or before August 1 of each year transfer *thirty-three and one-third percent (33 ⅓%)* [~~fifty percent (50%)~~] of all funds paid during the preceding fiscal year as fees for the issuance of any permit to strip mine to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.

Section 14. KRS 350.139, 1980 Acts, Chapter 377, Section 4, operative on approval of primacy, is amended to read as follows:

(1) All prior enactments of this general assembly to the contrary notwithstanding, all funds received by the department for natural resources and environmental protection through the payment of fees and civil penalties shall be deposited in the state treasury to the credit of the general fund effective July 1, 1972. All funds from the forfeiture of bonds shall be placed in the state treasury and credited to a special agency account. As far as is practicable, this fund shall be expended upon the lands for which the bond was given. All unexpended funds in the department for natural resources and environmental protection trust and agency accounts established by KRS 350.140 shall lapse to the general fund at the close of the 1971-72 fiscal year, provided however, that an amount not exceeding $400,000 may be transferred to a revolving fund to be used for interim financing of federal grant-in-aid projects.

(2) The state treasurer shall on or before August 1 of each year transfer *thirty-three and one-third percent (33 ⅓%)* [~~fifty percent (50%)~~] of all funds paid during the preceding fiscal year as fees for the issuance of any permit for surface coal mining operations to the fiscal courts of the county in which the permitted operation is located for the general purposes of that fiscal court.

and on page 19, line 26, by renumbering "Section 13" to read "Section 15".

Signed:Senate Members David K. Karem, Helen Garrett, John Doug Hays; House Members, Loyd J. Clapp, Bobby H. Richardson, Arthur L. Schmidt.

The above-named members, in separate votes by house, all concur in the provisions of the report.

DATE: March 31, 1982 TIME: 1:55 p.m.

Representative LeMaster moved that **SB 316,** as amended by the Free Conference committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 43-Bennett, Boswell, Bronger, Caldwell, Clapp, Clark, Cowan, Craddock, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Farrow, Freibert, Gray, Hines, Johnson, T. Jones, Kenton, LeMaster, Lile, Little, Long, Lundergan, McBee, McNutt, Meyer, Moberly, Nett, Perkins, Petty, Rapier, Richards, B. Richardson, Seum, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, Yates. Nays 24-Allen, Blandford, Brinkley, Bruce, Burnette, Cline, Ellington, Endicott, Ford, Fryman, Heleringer, Layman, Lefevers, Moore, Morris, Noe, Overstreet, Patrick, Pearman, Tobin, Todd, Turner, White, Worthington.

SB 316, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 316,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **SB 145,** as amended by the House, be taken from Orders of the Day for consideration of the Amendment. Agreed.

Representative Van Horn moved that the House refuse to recede from its Amendment to **SB 145.** Agreed.

Representative LeMaster moved that **SB 173,** as amended by the House, be taken from Orders of the Day for consideration of the Amendment. Agreed.

Representative Morris moved that the House refuse to recede from its Amendment to **SB 173.** Agreed.

Representative LeMaster moved that the rules be suspended for adoption of Legislative Citations. Agreed.

Representative Maggard moved the adoption of the following Legislative Citation No. 114. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Breathitt County Improvement Association for your efforts on behalf of business and industry in Breathitt County. Your endeavors to bring about economic growth have resulted in the establishment of new industry, the expansion of existing industry and business, and the general economic development of your county. Your dedication to the production of a sound financial basis for your community will bring forth benefits for generations to come. This auspicious body salutes for persistence and the progress it has produced for the betterment of all the Commonwealth. (Sponsored by Representative Maggard)

Representative Moore moved the adoption of the following Legislative Citation No. 118. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the unique attributes of Leslie County's Senior Citizens. Not content with the contributions you have made to your county before reaching your retirement years. You have continued to actively participate in progressive endeavors. With interminable devotion to your fellowman, your continually exhibit the intrinsic virtue of your generation-the philosophy "I am my brother's keeper". This auspicious body acknowledges with praise your sincere dedication which impacts on all Kentuckians. (Sponsored by Representative Moore)

Representative McBee moved the adoption of the following Legislative Citation No. 115. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Mr. David Vance as you leave the presidency of Latonia Race Course, for your tireless efforts and great accomplishments that have been associated with the track since the beginning of your reign. We salute you as being the first president of the track to promote Jim Beam Spiral Stakes as one of the major races leading to the Kentucky Derby. The Stakes is now regarded as one of the most prestigious races in the state. We honor and pay tribute to you for your admirable contributions to the racing industry. Your sacrifices and excellent leadership will crown you with success as incoming President of Louisiana Downs. You will long be remembered for your dedication in helping to make Kentucky a showplace for the sport of kings. Your services to the Commonwealth of Kentucky are immeasurable and will serve as a great tribute to your tenacity, endurance and excellent leadership. It is with sincere pride, honor, profound gratitude and commendation that we salute you for your grand success. Your continuous promotions will provide distinguished contributions for the chronicles of the Commonwealth. As you leave Latonia for your new post, this body expresses gratitude and best wishes. (Sponsored by Representative McBee)

Representative Pearman moved the adoption of the following Legislative Citation No. 116. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby salutes the North Hardin High School Boys' Basketball Team and your excellent coach, Ron Bevars, as the winners of the Seventeenth District and the Fifth Regional Tournaments and for your thrilling participation in the "Sweet Sixteen" State Tournament held at Rupp Arena, Lexington, Kentucky March 24-27, 1982. Your overall record of 37-3 reflects hard work, school loyalty and a competitive spirit. Your performance is a great tribute to your school as you have bestowed pride and honor on your community and the Commonwealth of Kentucky. This prestigious body applauds you and extends our very best wishes for continued success in your future endeavors. (Sponsored by Representative Pearman)

Representative Little moved the adoption of the following Legislative Citation No. 119. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates James and Lucy Monsour on this most beautiful and thrilling event in your lives, the arrival of Leslie Claire Monsour on March 30, 1982. May this precious child add perpetual joy, inspiration and happiness to your lives and home. We delight in this momentous occasion, that adds unprecedented pleasure to your home and wish for all of you God's eternal blessings. (Sponsored by Representative Little)

Representative Bendl moved the adoption of the following Legislative Citation No. 117. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Marge Brock, of Louisville for giving up one year of your life to work tirelessly for the interests and protection of the elderly citizens of Kentucky. You have organized efforts and created and held together a Coalition of interested persons whose constant concern and attention contributed immensely to the passage of vitally needed nursing home reform legislation. Your sincere caring, efforts without renumeration, effective leadership directed to humanitarian objectives are deeply appreciated. This auspicious body extends health and happiness for your future endeavors. (Sponsored by Representative Bendl)

Representative B. Smith moved that the rules be suspended to act upon a Resolution. Agreed.

Representative B. Smith moved the adoption of the following **HR 117:**

HR 117, A RESOLUTION adjourning in honor of Dr. Bailey E. Smith.

WHEREAS, Dr. Bailey E. Smith is President of the Southern Baptist Convention and pastor of one of the ten largest churches in that thirteen million member convention; and

WHEREAS, Dr. Bailey E. Smith's church, the First Southern Baptist Church of Del City, Oklahoma, led the Southern Baptist Convention with nearly 2,000 baptisms in 1980; and

WHEREAS, Dr. Bailey E. Smith has become nationally recognized for his leadership in calling America back to righteousness and justice based on the Bible as the infallible, inerrant Word of God;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House adjourns on March 31, 1982 it does so in honor of Dr. Bailey E. Smith.

Section 2. That the Clerk of the House forward a copy of this resolution to Dr. Smith.

HR 117 was adopted by voice vote.

Representative Thomason moved that the rules be suspended to introduce and act upon a resolution. Agreed.

HR 120, by Representative Thomason: A RESOLUTION adjourning the House of Representatives in honor and memory of Durham W. Howard.

Representative Thomason moved the adoption of the following **HR 120:**

HR 120, A RESOLUTION adjourning the House of Representatives in honor and memory of Durham W. Howard.

In loving tribute, we pay homage to our departed brother, Durham W. Howard.

WHEREAS, Durham W. Howard, born on September 24, 1902 in Bell County, was executive vice-president and manager of the First Federal Savings and Loan Association of Pineville, Kentucky; and

WHEREAS, Durham Howard attended Eastern Kentucky State Teachers College in Richmond and Union College in Barbourville; and

WHEREAS, always concerned with civic responsibilities, Durham Howard was past president of the Pineville Rotary Club, a member of the Elks, and a 32nd degree Mason; and

WHEREAS, Durham W. Howard was a distinguished colleague of the House; he faithfully represented the constituents of Bell, Knox and Whitley counties from 1948 until 1958. Durham Howard served as Minority Leader in 1950, 1956 and 1958; and

WHEREAS, Durham Howard became a member of the honorable Kentucky Senate in 1960 and served in that capacity until 1966. Howard was Senate Minority Leader in 1962;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House expresses its sincere sense of bereavement upon the loss of Durham W. Howard and we extend our thoughts and prayers to his loved ones during these dark and sorrowful hours.

Section 2. That when the House does adjourn this day, , , 1982, it does so in honor and memory of Durham W. Howard.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to the family of Durham W. Howard.

HR 120 was adopted by voice vote.

The following members were appointed to the Conference Committee on **SB 145:** Representative Moberly, Chairman; Representatives Van Horn and Patrick.

The following members were appointed to the Conference Committee on **SB 173:** Representatives Morris and List; Representative R. Jones, Chairman.

The Chair recognized members for vote changes as follows: Representative Bruce, "nay" on **HB 744;** Representative Craddock, "yea" on **HB 460;** Representative B. Smith, "yea" on **HB 525;** Representative Foster, "yea" on **HB 525;** Representative Morris, "yea" on **HB 379;** Representative Turner, "yea" on **HB 803;** Representative Richards, "yea" on **HB 746;** Representative T. Jones, "yea" on **SB 284;** Representative Ellington, "yea" on **HB 218;** Representative Ellington, "nay" on tabling **HB 810;** Representative Robinson, "nay" on **SB 316;** Representative Endicott, "nay" on **HB 525.**

Orders of the Day (continued)

Representative Foster moved that the following Free Conference Committee Report on **SB 74** be adopted. Agreed.

The free conference committee on **SB 74** has met as provided in the rules of the House and the Senate and hereby reports the following to be adopted:

Agreed to changes the amendment as follows: delete period following the word "*company*" and add "and are acting within the scope of their authority."

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members H. Lackey, Helen Garrett, Eugene Stuart; House Members Lewis Foster, Jimmy White, Billy Ray Smith.

The above-named members, in separate votes by house, all concur in the provision of this report.

DATE: March 31, 1982 TIME: 4:20 P.M.

Representative LeMaster moved that **SB 74,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 66-Blandford, Blevins, Boswell, Brinkley, Bronger, Burnette, Caldwell, Clark, Cline, Cowan, Craddock, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, McBee, Meyer, Moberly, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Richards, B. Richardson, P. Richardson, Riner, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Todd, Turner, Worthington, Yates. Nays 0.

SB 74, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 74,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Foster moved the adoption of the following Free Conference Committee Report on **SB 234.** Agreed.

The free conference committee on **SB 234** has met as provided in the rules of the House and the Senate and hereby reports the following to be adopted:

Report **SB 234** with no amendments

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members William Quinlan, Michael Moloney, Ed O'Daniel; House Members Lewis Foster, Adrian Arnold, Paul Richardson.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 4:30 P.M.

Representative LeMaster moved that **SB 234,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 61-Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burnette, Caldwell, Clark, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Gray, Haering, Handy, Head, Heleringer, Hines, Holbrook, Johnson, Kenton, Kidd, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Maggard, McBee, McNutt, Moberly, Noe, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Richards, B. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomason, Todd, White, Worthington, Yates. Nays 9-Allen, Harper, T. Jones, Layman, List, Meyer, Patrick, Turner, Van Horn.

SB 234, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 234,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 252, with Floor Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Representative Holbrook moved that the House recede from Floor Amendment No. 1 to **SB 252.** Agreed.

Representative Holbrook moved that the House recede from Floor Amendment No. 5 to **SB 252.** Agreed.

Representative LeMaster moved that **SB 252** be passed.

On the roll call the vote was yeas 66-Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Brown, Burch, Burnette, Caldwell, Clark, Cline, Cowan, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Foster, Fryman, Gray, Haering, Handy, Harper, Head, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, Layman, Lefevers, List, Little, Long, Maggard, McBee, McNutt, Moberly, Moore, Noe, O'Brien, Overstreet, Patrick, Perkins, Petty, Richards, B. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stone, Stumbo, Thomason, Tobin, Turner, Van Horn, White, Worthington, Yates. Nays 7-Allen, Blevins, Freibert, Lile, Meyer, Scum, Todd.

SB 252 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 252** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Deskins moved the adoption of the following Conference Committee Report on **SB 144.** Agreed.

The committee on **SB 144** met and considered the floor amendment #1 and recommended the attached changes and have concurred in floor amendment #1 with the attached changes - conference committee also concurs on the committee amendment to **SB 144** as passed by the House.

SECTION 10. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) "Natural resources producing county" shall mean a county in which natural resources were severed within the meaning of KRS Chapter 143 or 143A and upon which severance the tax applicable thereto was reported and remitted prior to January 1, 1980.

(2) "Natural resources impact county" shall mean a county in which natural resources were not severed within the meaning of KRS Chapter 143 or 143A after July 1, 1982, but one through which natural resources are regularly transported over public highways, roads, and streets designated as a part of the natural resources road system by the department of transportation.

(3) "Natural resources", for purposes of this Act, shall mean all forms of minerals including but not limited to rock, stone, limestone, and products thereof, coal, shale, gravel, sand, clay, oil, flourspar, zinc, natural gas, and natural gas liquids which are contained in or on the soils or waters of this state.

SECTION 11. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) On or before August 15, 1982, and each year thereafter, the department of transportation shall publish a directory, including supporting maps and other documents, designating the official natural resources road system in natural resources impact and natural resources producing counties which shall include all public highways, roads, and streets over which quantities of natural resources, sufficient to significantly effect the condition and state of repair of such highways, roads, and streets, have been transported in the immediately preceding fiscal year. The department shall further publish the total county mileage of the official natural resources road system and the total ton/miles within each natural resources impact and natural resources producing county for said preceding fiscal year.

(2) Every person shipping or transporting natural resources, and every carrier hired or common carrier hauling natural resources over the public highways, roads, and streets, shall file with the department of transportation such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads, and streets comprising the natural resources road system and the quantities of natural resources transported thereon, in order that the department can accurately calculate total ton/miles within each natural resource impact and natural resource producing county. Unless an employe-employer relationship otherwise exists, the securing of a natural resource recovery road permit under this Act shall not be construed as establishing such a relationship between the individual or entity securing the permit and the individual or entity hauling under the permit.

(3) The department of revenue shall make available to the department of transportation coal severance and processing tax and natural resource and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (2) above. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; in the event the data cannot be furnished without revealing the identity of an individual taxpayer, it shall be withheld.

SECTION 12. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall issue resource recovery road hauling permits for the operation of motor carriers in natural resources producing counties or natural resources impact counties for the purpose of transportation of natural resources in vehicles whose gross weight, including vehicle and load, exceed the limits prescribed by KRS Chapter 189. Any individual, partnership, joint venture, association or corporation engaged in severing or processing natural resources, who has filed an application for a certificate of registration in accordance with KRS 143.030 or 143A.050 and who elects to apply for a resource recovery road hauling permit, shall be issued a permit upon application. Any operator currently engaged in severing natural resources may at his option apply for the resource recovery road hauling permits by September 1, 1982, and remit the appropriate fees on or before October 1, 1982. After October 1, 1982, the resource recovery road hauling permit fee shall be paid at the same time and in the same manner as the tax levied under KRS 143.020 and 143A.020.

(2) Any resource recovery road hauling permit shall be issued upon the terms and conditions as the department may require. The permit shall remain in effect as long as the terms, conditions and agreements set forth in the permit are complied with by the permittee.

(3) The secretary shall be responsible for the issuance of resource recovery road hauling permits and establishment of permit conditions. The secretary, in the establishment of permit conditions, may consider road conditions, tons of natural resources being transported and strength of bridges on proposed routes. The secretary shall not allow motor carriers to exceed the limits prescribed in KRS 189.222 on interstate highways.

(4) The department shall require a fee for the issuance of a resource recovery road hauling permit of four-tenths (4/10) of one percent (1%) of the gross value of natural resources, or the average value of such natural resources as developed and computed by information supplied to the department of revenue, whichever is less, transported by the permittee over the roads of the Commonwealth, except as provided by in Section 15(4) of this Act. For purposes of this section, "gross value" shall mean gross value as defined in KRS 143.010(6) and 143A.010(5). Any motor carrier transporting natural resources under an approved resource recovery road hauling permit shall be exempt from the provisions of KRS 138.660.

(5) No producer or processor of natural resources shall allow the transporting of natural resources over the highways of the Commonwealth in excess of the weight limits without possessing a resource recovery road hauling permit. Violation for hauling in excess of prescribed limits without possession of a permit or transporting natural resources over prescribed limits of the resource recovery road hauling permit shall be not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each violation and shall be deposited in the resource recovery road fund.

SECTION 13. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create forms for use of the permit issued under the provisions of Section 12 of this Act.

(2) The form prescribed by the department shall include the following information:

(a) Resource recovery road hauling permit number;
(b) Weight of the vehicle including load;
(c) Motor carrier registration number and the name of the motor carrier operator;
(d) The name of the mining company or individual operator;
(e) The motor carrier destination; and
(f) Additional information the department may deem appropriate.

(3) Such forms shall be consecutively numbered and printed in triplicate. One (1) copy shall be kept by the natural resource severer for his records; one (1) copy shall be submitted to the department of revenue by the natural resource severer; and one (1) copy shall be submitted by the motor carrier operator to an employe of the termination point which shall in turn be submitted to the department of revenue.

(4) The department of revenue shall review the forms submitted pursuant to subsection (3) of this section and upon the determination that a discrepancy exists between natural resources transported and natural resources severed may recommend an investigation into the activity and records of the permit holder by the department of transportation.

Section 14. KRS 189.150 is amended to read as follows:

(1) No vehicle shall be operated upon any highway unless it is so constructed as to prevent its contents from escaping.

(2) No vehicle shall be operated upon any public highway for a distance of over one (1) mile whose load is susceptible to shifting or spillage unless said load is covered with a device suitable for prevention of spillage.

SECTION 15. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

(1) The secretary shall establish a motor carrier regulatory board to receive information transmitted by the department of revenue pursuant to Section 13(4) of this Act and hold hearings regarding violations of the resource recovery road hauling permits.

(2) The board shall have five (5) members, three (3) to be appointed by the governor from a list submitted by the secretary of the department of transportation, and one (1) each to be appointed by the speaker of the house of representatives and the president pro tem of the senate. The board shall elect a chairman who shall be responsible for receiving information from the department of revenue. Beginning August 1, 1982, one (1) member shall be appointed for one (1) year, two (2) members shall be appointed for two (2) years and two (2) members shall be appointed for three (3) years. Thereafter, each member shall be appointed for three (3) years. The board members shall be reimbursed actual expenses incurred during the discharge of their duties.

(3) Upon determination by the chairman or upon the written request of the department of revenue that a hearing is warranted, the board shall notify the permit holder in writing by mailing notice by first-class mail to the last known address of the permit holder. The hearing shall be scheduled as early as practical and shall not exceed thirty (30) days after the receipt of a hearing request. The time and place of the hearing shall be designated by the board.

(4) The board within ten (10) days after the completion of a hearing shall inform the permit holder of its action. Should the permit holder be found in violation of its permit condition, the board shall fine said permit holder not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each violation and such fine shall be deposited to the resource recovery road fund. Any permit holder determined by the board to be in violation of the permit condition on six (6) occasions in a twelve (12) month period or who fails or does not pay the total amount of the required permit fee may have the permit suspended by the board for a period of six (6) months.

(5) Any permit holder may appeal the decision of the board in the circuit court in which the permit holder resides, or in the Franklin Circuit Court for review of the order of the board. The appeal shall occur within twenty (20) days after the final order has been issued. The perfected appeal suspends the payment of any fines or the order of suspension pending a final determination of the review.

SECTION 16. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall create a resource recovery road fund which is authorized to receive fees generated by Section 12(4) of this Act, state appropriations, gifts, grants and federal funds.

(2) The resource recovery road fund shall be used solely for the purpose of reconstruction, repair and maintenance of resource recovery roads and bridges in natural resources producing counties or natural resources impact counties.

(3) For fiscal year 1982-83 the funds generated from the fees provided by Section 12(4) of this Act shall be spent exclusively for the reconstruction, maintenance and repair of resource recovery bridges in natural resources producing and natural resources impact counties.

(4) The secretary of transportation upon the request of any operator whose transportation plan has a one-way hauling distance of fifteen (15) miles or less, shall be assessed a resource recovery road hauling

permit fee of two-tenths (2/10) of one (1) percent of the average value or gross value of the natural resource whichever is less. Any operator whose transportation plan limits use of county resource recovery roads or state roads or highways to five hundred (500) yards or less shall be exempted from the provisions of this Act.

SECTION 17. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) At least once in each calendar year the department, through a duly authorized representative, shall consult with the state senator and state representative of each of the natural resources producing and natural resources impact counties for the purpose of review of the natural resources road system directory required by Section 11 of this Act and planning of the expenditure of the county allotment of the resource recovery road fund on the state roads lying within the representative's and senator's legislative district.

(2) At least once in each calendar year the department, through a duly authorized representative, shall consult with the fiscal courts of the various natural resources producing and natural resources impact counties for the purpose of review of the natural resource road system directory required by Section 11 of this Act and planning of the expenditure of the county allotment of the resource recovery road fund on county roads lying within the county of the fiscal court jurisdiction.

(3) The first one million six hundred thousand dollars ($1,600,000) generated by payment of resource recovery road hauling fees shall be deposited in the state transportation fund, after which the department of transportation shall retain seventy-five percent (75%) of all funds arising from the imposition of the fees generated by Section 12(4) of this Act and distribute said funds in accordance with the provisions in Section 18 of this Act. The remainder of said funds shall be transmitted to the department of finance to be distributed to the appropriate counties in a like manner.

(4) The funds distributed to the counties under subsection (3) of this section shall be granted only on the condition that each county match such funds with funds raised by the county. The counties shall expend the distributed and match funds on the counties' resource recovery road system within twelve (12) months of the receipt of the distributed funds. Any distributed funds not expended within twelve (12) months of receipt by any county shall revert to the resource recovery road fund. The department of transportation is authorized to enforce this section by appropriate regulations promulgated pursuant to KRS Chapter 13 and audits.

SECTION 18. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) The department of transportation shall allocate funds set apart for reconstruction, maintenance and repair of resource recovery roads and bridges by the provision of Section 12(4) of this Act as follows:

(a) One-fifth (1/5) shall be apportioned equally among the natural resources producing and natural resources impact counties;

(b) One-fifth (1/5) shall be apportioned on the basis of the mileage of road in a natural resources producing county bears to the total mileage of road in all natural resources producing counties;

(c) One-fifth (1/5) shall be apportioned on the basis of natural resources produced in a county based on the ratio to the total natural resources produced in the Commonwealth; and

(d) Two-fifths (2/5) shall be apportioned on the basis of the ratio of total natural resource road system mileage in a county, as designated by the natural resource road system directory required by Section 11 of this Act, to total statewide natural resource road system mileage.

(2) Of the total amount apportioned by the provision of this section, a sum not exceeding four percent (4%) may be deducted by the department to defray the cost of implementation of the resource recovery road program.

Signed: Senate Members Benny Ray Bailey, John Hays, Gene Huff; House Members Herbie Deskins, Don Blandford, Gregory Stumbo.

DATE: March 31, 1982 TIME: 1:30 P.M.

Representative LeMaster moved that **SB 144,** as amended by the Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 59-Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Burch, Clark, Clarke, Cowan, Craddock, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Farrow, Foster, Gray, Guenthner, Hancock, Handy, Hines, Johnson, R. Jones, T. Jones, Kenton, Kidd, LeMaster, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, O'Brien, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 33-Allen, Bruce, Burnette, Caldwell, Crupper, Curd, Ellington, Ford, Freibert, Fryman, Haering, Head, Heleringer, Holbrook, Layman, Lefevers, Lile, List, McNutt, Moore, Morris, Noe, Noland, Patrick, Pearman, Rattliff, Robinson, Schmidt, F. Smith, Todd, Turner, Van Horn, White.

SB 144, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 144,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 810, with Senate Committee Substitute and Senate Amendments attached thereto, taken from Orders of the Day. Representative LeMaster moved that it be placed upon its passage. Agreed.

Senate Committee Substitute to **HB 810** is as follows:

HB 810, AN ACT relating to motor vehicle taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.752 is amended to read as follows:

The bureau *shall* [~~may, by regulation,~~] prescribe and charge a fee, *of twenty dollars ($20.00)* [~~not to exceed two dollars ($2.00)~~] in each instance, for the issuance of such identifying plates, decals, cards, signs or papers, for the identification of motor vehicles, which vehicles have been qualified for, and have been granted reciprocal privileges in Kentucky in regard to motor vehicle registration fees and highway use taxes. The commissioner may by reciprocal agreement with the proper officials of other jurisdictions waive such fees applicable to residents of such other jurisdictions which afford like privileges to residents of Kentucky.

Section 2. KRS 138.665 is amended to read as follows:

(1) A license shall be required of each motor carrier or heavy equipment motor carrier before he uses or continues to use gasoline or special fuels on the public highways of this state, except the bureau may issue a trip permit for each motor vehicle for a fee of *twenty dollars ($20.00)* [~~ten dollars ($10.00)~~] for each permit.

(2) Application for a license or trip permit shall be made to the bureau and shall contain such information as the bureau deems necessary.

(3) Concurrently with the filing of an application for a license, the motor carrier or heavy equipment motor carrier shall file with the bureau a bond as required under KRS 138.670. No license shall be issued to any person unless such person has furnished a bond as provided in KRS 138.670 to secure payment of taxes, penalties and interest imposed by KRS 138.655 to 138.725.

(4) The application in proper form having been accepted for filing, the bond having been accepted and approved and the other conditions and requirements of this section having been complied with, the bureau shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the bureau, or if the bureau is of the opinion that the person who makes the application does so as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not sufficient cause, the bureau may, after a hearing of which the applicant shall be given ten (10) days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise canceled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The bureau shall keep and file all applications and bonds, with an alphabetical index thereof.

(8) Each holder of such license shall display such license number or other identification in the manner prescribed by the bureau.

Section 3. KRS 189.270 is amended to read as follows:

(1) The bureau may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles and housetrailers whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects fail to comply with the requirements of this chapter. Permits may be issued by the bureau for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of the highways as the bureau may, in its discretion, require. The bureau shall require, as a condition to the issuance of the permit, that the applicant pay a *fee of thirty dollars ($30.00) for each overweight or overdimension permit; a fee of twenty dollars ($20.00) for each single trip house trailer permit; a fee of*

eighty dollars ($80.00) for each annual house trailer permit; [~~reasonable fee, to be fixed by it,~~] and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles and housetrailers in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the bureau may require, in his possession.

(2) No person shall operate any motor vehicle or housetrailer in violation of the terms of the permit.

Section 4. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents ($11.50).

(2) The annual registration fee for each motorcycle shall be five dollars ($5.00), and for each sidecar attachment, three dollars ($3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	$24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-82,000	840.00

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof *and shall be exempt from any fee charged under the provisions of KRS 281.752.* The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition

to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof *and shall be exempt from any fee charged under the provisions of KRS 281.752.* Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple, where such railhead or tipple is located at a point not more than fifty (50) air miles from the point at which such coal is mined, or which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof *and shall be exempt from any fee charged under the provisions of KRS 281.752.* The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths (¾) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the department that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the bureau's certification to the department of transportation copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The bureau of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the department shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the bureau may issue an apportioned registration plate to such commercial vehicle. The bureau shall promulgate regulations in accordance with this section.

Senate Amendment No. 1 to the Senate Committee Substitute to **HB 810** is as follows:

Amend printed copy of Committee Substitute to **HB 810** as follows:

on page 1, line 7, after the word "*vehicles,*" by inserting the following language: "*as defined in KRS 281.011(3), (4) and (5) and KRS 138.655(5) and (7)*"

and on page 1, line 18, after the word "carrier" by adding the following language: "*subject to the provisions of KRS 138.660(1), (2) and (3)*"

and on page 1, line 19, after the word "use" by placing brackets around the words "gasoline or special fuels"

and on page 1, line 20, after the word "the" by inserting the word "*department*" and placing brackets around the word "bureau"

and on page 2, line 3, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 4, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 7, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 15, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 18, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 19, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 2, line 24, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 3, line 9, by adding the word "*department*" and by placing brackets around the "bureau" and on page 3, line 13, by adding the word "*department*" and by placing brackets around the word "bureau"

and on page 14, line 6, after the word "section." by inserting the following language:

"Section 5. KRS 138.655 is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means *department of transportation* [~~bureau of vehicle regulation~~];

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction; also including all city streets, alleys and any way or place on which a toll is charged for using such way or place;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any *commercial* truck or *commercial* tractor-trailer combination having a total of three (3) or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semitrailer;

(a) "Axle" as referred to herein means any two (2) or more load-carrying wheels mounted in a single transverse vertical plane;

(b) "Trailers and semitrailers" are those as defined in subsections (1) and (2) of KRS 186.650, except that it does not include those trailers defined in subsection (3) of KRS 186.650 and those exempted from regulation under KRS 186.675. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the state of Kentucky;

(c) "Commercial" refers to any activity for business purposes;

(d) For the purposes of KRS 138.660(3), motor carriers, trailers and semi-trailers shall not mean a farm vehicle as defined in KRS 186.050(4).

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten (10) miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten (10) consecutive day period of any motor vehicle of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 to 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier," or any motor vehicle in which a valid trip permit is carried;

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three (3) month period ending June 30 in the year 1956 and each succeeding three (3) month period thereafter*; except that for the purposes of the taxes imposed under KRS 138.660(3), "quarterly" shall mean the period beginning July 15, 1982, and ending September 30, 1982 and each succeeding three (3) month period thereafter;*

(14) "Combined licensed weight" shall mean the greater of:

(a) The declared combined maximum gross weight of vehicle and any towed unit for registration purposes for the current registration period; or

(b) The highest actual combined gross weight of the vehicle and any towed unit when operated on the public highways of the state during the current registration period.

Section 6. KRS 138.660 is amended to read as follows:

(1) Every motor carrier shall pay a tax at the rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on the amount of gasoline and at the same rate on the amount of special fuels used in operations on the public highways of this state.

(2) In addition to the tax imposed in subsection (1) of this section, if the motor carrier is a heavy equipment motor carrier as defined in KRS 138.655, he shall pay a surtax at the rate of two percent (2%) of the average wholesale price as provided in subsection (1), on the amount of gasoline and special fuels used in operations on public highways of this state.

(3) *(a) In addition to the tax imposed in subsections (1) and (2) of this section, every motor carrier shall pay the weight distance tax as set forth in this section on the amount of gasoline and special fuels in operations on the public highways of this state.*

(b) The weight distance tax shall be computed as follows on the combined licensed weight of the motor vehicle and trailers or semitrailers as defined in KRS 138.665: The rate shall be 2.85 cents (0.285) per mile, for combined licensed weights in excess of fifty nine thousand nine hundred and ninety nine (59,999) pounds.

(4) The tax levied under subsections (1), [~~and~~] (2) *and (3)* of this section shall be computed and paid as provided in KRS 138.690.

Section 7. KRS 138.690 is amended to read as follows:

(1) The tax imposed by subsections (1) and (2) of KRS 138.660 shall be determined as follows: The total number of gallons of gasoline and special fuels used during the taxable period in the licensee's operations on the public highways in Kentucky shall be multiplied by the tax rate.

(2) The tax imposed by KRS 138.660(3) shall be determined by the total number of miles driven during the taxable period in the licensee's operations on public highways in Kentucky and shall be multiplied by the combined licensed weight tax rate.

Section 8. KRS 138.695 is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1), [~~and~~] (2) *and (3)* of KRS 138.660 shall be entitled to a credit for each quarterly period beginning on and after July 1, 1980, equivalent to the tax rate levied in KRS 138.220 and computed on the average wholesale price as defined in KRS 138.210(10) on gasoline and special fuels purchased by such licensee during such period for use in its operations, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220, [~~and KRS~~] 138.565, *and 234.020* has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the department shall be furnished by each such licensee claiming the credit herein allowed.

(2) The department shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the department during such quarter, which credits shall be except as provided in subsection (3), applied only to taxes due on the report filed for the next quarter.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the department within sixty (60) days after the time the credit would otherwise expire as provided in subsection (2) except a credit shall not be refunded to the licensee, where, as estimated by the department, the cost to the department of making the refund would exceed the amount of the refund.

(4) In order to facilitate administration of the credits and refunds allowed herein, the department shall prescribe what records must be kept by the licensee or any other person and the department shall also prescribe the form and content of said records and any reports to be made relative thereto.

SECTION 9. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) Funding for the implementation and administration of the tax levied by Section 2 of this Act shall be provided from the transportation fund of the department of transportation. The department of transportation shall transfer from the transportation fund to a trust and agency fund account amounts sufficient to provide for the financing of administrative and auditing expenses required in this Act in quarterly allotments, the first allotment to be paid on July 1, 1982. The department of transportation shall transfer each quarterly allotment on the first day of that quarter.

(2) The department is authorized to accept for deposit in a trust and agency fund account amounts transferred under subsection (1) of this section to administer the tax imposed by Section 2 of this Act.

(3) The department shall determine the amount of funds transferred into the trust and agency fund account referred to in subsections (1) and (2) of this section based upon the present needs, projected needs, or any surplus or deficiency in amounts previously paid into the trust and agency fund account.

(4) Whenever practicable, and in no event later than three (3) years after any report of taxes is filed, the department shall audit it if such audit is deemed necessary or practicable.

(5) The department shall adopt regulations pursuant to KRS Chapter 13 for the enforcement of KRS 138.655 to 138.725.

Section 10. KRS 177.320 is amended to read as follows:

(1) Twenty-two and two-tenths percent (22.2%) of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 *(1) and (2)* and 234.320 shall be set aside for the construction, reconstruction and maintenance of secondary and rural roads and for no other purpose, and shall be expended for said purposes by the department of transportation of the Commonwealth of Kentucky according to the terms and conditions prescribed in KRS 177.330 to 177.360.

(2) On or after July 1, 1980, fifteen and six-tenths percent (15.6%) of all funds arising from the imposition of taxes provided by KRS 138.220, 138.565, 138.660 and 234.320 shall be set aside for the construction, reconstruction and maintenance of county roads and bridges provided by KRS 179.410 through 179.430.

Section 11. KRS 177.365 is amended to read as follows:

(1) On and after July 1, 1980, six and seven-tenths percent (6.7%) of all amounts received from the imposition of the taxes provided for in KRS 138.220, 138.565, 138.660 *(1) and (2)* and 234.320 shall be set aside by the department of finance for the construction, reconstruction and maintenance of urban roads and streets and for no other purpose.

(2) As used in this section unless the context requires otherwise "construction," "reconstruction," and "maintenance" mean the supervising, inspecting, actual building, and all expenses incidental to the construction, reconstruction, or maintenance of a road or street, including planning, locating, surveying, and mapping or preparing roadway plans, acquisition of rights-of-way, relocation of utilities, lighting and the elimination of other hazards such as roadway grade crossings, and all other items defined in the bureau of highways, design, operations, and construction manuals.

(3) "Urban roads" mean all public ways lying within the limits of the unincorporated urban place as described by the bureau of census tracts.

(4) "Streets" mean all public ways which have been designated by the incorporated city as being city streets and said streets lying within the boundaries of an incorporated city."

Senate Amendment No. 3 to the Senate Committee Substitute to **HB 810** is as follows:

Amend printed copy of Committee Substitute to **HB 810** as follows:

on page 14, line 6, after the word "section." by adding the following language:

"Section 5. Whereas the road fund is in serious financial condition an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor."

Senate Amendment No. 4 to the Senate Committee Substitute to **HB 810** is as follows:

amend printed copy of Committee Substitute to **HB 810** as follows:

on page 9, line 9, by deleting "*(0.285)*" and inserting "*($0.0285)*" in lieu thereof

Representative Clarke moved the adoption of the Senate Committee Substitute to **HB 810.** Agreed.

Representative Clarke moved the adoption of the Senate Amendment No. 1 to the Senate Committee Substitute to **HB 810.** Agreed.

Representative Clarke moved the adoption of the Senate Amendment No. 3 to the Senate Committee Substitute to **HB 810.** Agreed.

Representative Clarke moved the adoption of the Senate Amendment No. 4 to the Senate Committee Substitute to **HB 810.** Agreed.

Representative Clarke moved that **HB 810,** by way of Senate Committee Substitute as amended, be passed.

On the roll call the vote was yeas 53-Barrows, Bendl, Bennet, Blandford, Blevins, Bronger, Brown, Burch, Clark, Clarke, Cowan, Craddock, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Foster, Guenthner, Hancock, Handy, Heleringer, Hines, Holbrook, Johnson, T. Jones, Kenton, Kidd, LeMaster, Lundergan, Maggard, McBee, McNutt, Meyer, Moberly, Nett, O'Brien, Pearman, Perkins, Petty, B. Richardson, Riner, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Williams, Worthington, Yates. Nays 38-Allen, Arnold, Boswell, Brinkley, Bruce, Burnette, Caldwell, Clapp, Cline, Crupper, Ellington, Farrow, Ford, Freibert, Fryman, Gray, Haering, Harper, Head, Layman, Lefevers, Lile, Moore, Morris, Noe, Noland, Overstreet, Patrick, Rapier, Rattliff, Richards, Robinson, Schmidt, Seum, Todd, Turner, Van Horn, White.

HB 810, by way of Senate Committee Substitute as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 810,** by way of Senate Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Mann moved the adoption of the following Conference Committee Report on **HB 415.** Agreed.

CONFERENCE COMMITTEE REPORT

MEMORANDUM

TO: Chief Clerk, House of Representatives

DATE: March 31, 1982

TIME: 12:30 recess until 3:30

ROOM: 316

SUBJECT: **HB 415**

The Conference Committee on **HB 415** concurs with Senate Committee Substitute for **HB 415** with the attached amendment.

On page 17, by deleting lines 9 through 23 in their entirety and by renumbering the remaining subsection accordingly;

and on page 18, by deleting lines 6 through 12 in their entirety;

and on line 13, by deleting before the period "." the following words "*until July 1, 1985*" and by inserting in lieu thereof the following words: "*Any person serving on the board on the effective date of this Act shall serve until the expiration of his current term of office*"

and on line 15 by inserting after the word "*appointed*" and before the comma "," the following words: "*as provided in subsections (2) and (3) of this section*"

and between lines 19 and 20 by inserting the following:

"*(2) Upon the expiration of the terms of office of the two (2) board members whose terms expire January 1, 1984, the Governor shall appoint two (2) members from a list of four (4) names submitted the legislative research commission thereafter; upon the expiration of these terms, such terms shall be filled in the same manner as provided in this subsection.*

(3) Upon the expiration of the terms of office, of the members whose terms expire December 31, 1982, January 1, 1985, and January 1, 1986, the Governor shall appoint citizens at large who are not associated with state government in any manner. Thereafter upon the expiration of these terms, such terms shall be filled in the same manner as provided in this subsection.

(4) These five (5) appointments to the board shall be subject to confirmation by the senate. If the senate is not in session, these five (5) appointments shall be subject to review by the interim joint committee on state government which shall hold a public hearing and shall transmit its recommendations to the senate."

and renumber the remaining subsections accordingly.

Signed: Senate members, Fred Bradley, Pat McCuiston; House members Terry L. Mann, C. M. "Hank" Hancock, J. Barrows.

Representative LeMaster moved that **HB 415,** as amended by the Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 64-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clark, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Freibert, Haering, Hancock, Handy, Hines, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, Long, Mann, McBee, Meyer, Moberly, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 7-Cyrus, Endicott, Foster, Fryman, Gray, McNutt, Pearman.

HB 415, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 415,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative LeMaster moved that the House recess until 6:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

The Senate has adopted the Conference Committee Report on **HB 83** and **HB 415** and has repassed the bill as amended in conference.

The Senate has adopted the Free Conference Committee Reports on **HB 378, HB 571,** and **HB 785** and has repassed the bills as amended in free conference.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 308, HB 475, HB 622, HB 649,** and **HB 746** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Governor. (Time - 8:25 p.m.)

HB 308, HB 475, HB 622, HB 649, and **HB 746** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Representative LeMaster moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HCR 122, by Representative LeMaster: A CONCURRENT RESOLUTION relating to adjournment of the General Assembly.

Representative LeMaster moved the adoption of **HCR 122.**

HCR 122, A CONCURRENT RESOLUTION relating to adjournment of the General Assembly.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That when the House of Representatives and the Senate do adjourn on Wednesday, March 31, 1982, they do so to reconvene on Tuesday, April 13, 1982.

On the roll call the vote was yeas 72-Allen, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Haering, Handy, Harper, Head, Heleringer, Hines, R. Jones, Kenton, Layman, LeMaster, Lile, List, Little, Long, Maggard, McBee, McNutt, Meyer, Moberly, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 1-Schmidt.

HCR 122 was adopted.

Orders of the Day (continued)

Representative R. Jones moved the adoption of the following Conference Committee Report on **SB 173.** Agreed.

The conference committee on **SB 173** recommends the following:

Agreed to remove HA #1 and passed the bill without HA #1.

Signed: Senate Members Kenneth Gibson, Ed Ford; House Members Henry List, Bob Jones.

Representative LeMaster moved that **SB 173,** as amended by the Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 73-Allen, Bendl, Bennett, Blandford, Blevins, Boswell, Bronger, Brown, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Ford, Foster, Freibert, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Heleringer, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Lile, List, Little, Long, Maggard, Mann, McBee, Moberly, Moore, Noe, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, B. Richardson, P. Richardson, Riner, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, White, Williams, Worthington, Yates. Nays 8-Barrows, Brinkley, Bruce, Farrow, McNutt, Morris, Richards, Van Horn.

SB 173, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 173,** as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Curd moved the adoption of the following Free Conference Committee Report on **SB 264.** Agreed.

The free conference committee on **SB 264** has met as provided in the rules of the House and the Senate and hereby reports the following to be adopted:

The original printed form of **SB 264** without amendments or other additional material.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed: Senate Members Clyde Middleton, Ed Ford, Kenneth Gibson; House Members Kenneth Harper, Ben Handy, Freed Curd.

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE: March 31, 1982 TIME: 5:52 p.m.

Representative LeMaster moved that **SB 264,** as amended by the Free Conference Committee Report, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 63-Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Burch, Burnette, Caldwell, Clapp, Cline, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Fryman, Gray, Guenthner, Hancock, Handy, Harper, Heleringer, Holloway, Johnson,

R. Jones, Kenton, Kidd, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Moberly, Nett, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Turner, Worthington, Yates. Nays 19-Allen, Barrows, Blevins, Brown, Bruce, Clark, Freibert, Head, Layman, Lile, Moore, Morris, Noe, O'Brien, Pearman, Seum, B. Smith, Todd, Van Horn.

SB 264 as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 264,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

The Speaker allowed the following Citations:

Representative LeMaster moved the adoption of the Legislative Citation No. 13. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Frank LeMaster, brother of Representative Jim LeMaster, on your outstanding football career. Your achievements have been most impressive, encompassing being selected as an All State football player from Bryan Station High School, Lexington, Kentucky; an outstanding player for the University of Kentucky, 1971-74; starting linebacker for the Philadelphia Eagles since 1974; and selection as an All Pro in 1981 with the prestigious privilege of playing in the Pro Bowl in January, 1982, in Hawaii. Your perseverance, dedication and personal sacrifice are highly reflected in your excellent performance and athletic ability. You have bestowed great honor and prestige and upon your school, community and family.

This body salutes you and wishes you continued success in your future endeavors. (Sponsored by Representative LeMaster)

Representative Kenton moved the adoption of Legislative Citation No. 123. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby extends best wishes to Alpha Theta Chapter of Kappa Alpha Fraternity for success in your unique projects to raise funds for Muscular Dystrophy and the Blind. Your benevolent spirit and altruistic attitude are most commendable. As you roll a wheelchair from Old Morrison in Lexington to the Capitol in Frankfort you can experience a joy of sharing and self-satisfaction realized only when your efforts are for the benefit of others. This renown body salutes your endeavors in conducting this "Wheelathon" on Saturday, April 3, 1982. (Sponsored by Representative Kenton)

Representative Riner moved the adoption of Legislative Citation No. 121. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Dr. Bailey E. Smith, as President of the Southern Baptist Convention and pastor of the First Southern Baptist Church in Del City, Oklahoma, one of the ten largest churches in the convention. Your leadership in calling America back to righteousness and justice based on the Bible as the infallible, inerrant Word of God has registered a significant impact on our nation. We commend you for your dedication and faithfulness as a servant of God. Having adopted a resolution on March 31, 1982 to adjourn in your honor, this renown body extends best wishes, health and happiness in your future endeavors. (Sponsored by Representative Riner)

Representative Riner moved the adoption of Legislative Citation No. 122. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes with profound appreciation the extraordinary services and contributions of the Founder and President Dr. M. G. "Pat" Robertson and the Christian Broadcasting Network. Your being second largest Satellite-Cable Network in the United States carried by 2,950 cable systems is a great challenge and opportunity to spread Christianity in action. Your theme of "People Caring for People" is more than a slogan to the tens of thousands of needy individuals throughout the United States including the Commonwealth of Kentucky who have received food, clothing and medicine through your "Operation Blessing" program. You are to be commended not only for dispensing millions of dollars to provide humanitarian relief to the needy within our own country, but also directing over $600,000 in emergency assistance to the Cambodian Refugees. Your outstanding example is proof that the State can never be an adequate substitute for Christian charity. (Sponsored by Representative Riner)

Representative Boswell moved the adoption of Legislative Citation No. 120. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the Sturgis Jaycees for hosting the Young Farmers of America Awards Congress during February, 1982 at Owensboro, Kentucky. Your public awareness of projects of this nature exemplifies your faith and concern for the youth of your community. We are highly honored to know that you have shared and participated in such an indispensable endeavor. This auspicious body extends best wishes for much success in the future. (Sponsored by Representative Boswell)

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Haering, **HB 649;** Representative McBee, **HB 26;** Representative Riner, **HB 505, HB 489, HB 484, HB 319, HB 205, HB 198, HB 166, HB 133, HB 112, HB 50, HB 668, HB 90, HB 206, HB 32, HB 674, HB 536, HB 148, HB 253, HB 181, HB 20, HB 183,** and **HB 594.**

Representative Cowan asked that he be withdrawn as co-sponsor of **HB 816.**

Representative LeMaster moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 121, by B. Smith: A RESOLUTION adjourning the House of Representatives in honor of E. W. Kesler.

Representative B. Smith moved the adoption of the following **HR 121:**

HR 121, A RESOLUTION adjourning the House of Representatives in honor of E. W. Kesler.

WHEREAS, E. W. Kesler has ably assisted in the enactment of legislation benefitting the agricultural economy of the Commonwealth since the 1956 Regular Session of the Kentucky General Assembly; and

WHEREAS, E. W. Kesler is recognized by the members of the General Assembly to be extremely knowledgeable in matters directly and indirectly affecting agriculture and his counsel and advice are sought by the members of the General Assembly; and

WHEREAS, Mr. Kesler has been involved in practically every significant bill affecting farming in Kentucky for the past 26 years, supporting those bills which would enhance agriculture and opposing those bills which would harm it; and

WHEREAS, Mr. Kesler has served on numerous state advisory boards dealing with such varied subjects as consumer protection, occupational safety and health standards, better roads, comprehensive health planning, economic development, and rural development; and

WHEREAS, Mr. Kesler's efforts on behalf of agriculture extend to the U.S. Congress through his assistance to Kentucky's Congressional delegation; and

WHEREAS, E. W. Kesler has promoted better government by helping the voters to understand the issues and the candidates; and

WHEREAS, E. W. Kesler has spent his entire adult working years in service to the Commonwealth's agricultural community; and

WHEREAS, E. W. Kesler has the respect of the members of the Kentucky General Assembly, the agricultural leaders of the state, and those persons interested in responsible government;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the service of E. W. Kesler to the state's agricultural community is hereby acknowledged to be of the highest order and that this body expresses its gratitude to him for his outstanding service, which he always gives in a friendly and unselfish manner.

Section 2. That with due recognition of his service, the House of Representatives adjourns this day, Wednesday, March 31, 1982 in honor of E. W. Kesler.

HR 121 was adopted by voice vote.

Representative B. Smith moved that the rules be suspended to allow a roll call for co-sponsors of **HR 121.** Agreed.

The following members have requested to be co-sponsors of **HR 121-** Arnold, Bendl, Blandford, Blevins, Boswell, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, List, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, Pearman, Perkins, Petty, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Worthington, Yates.

Representative Barrows moved that he be recorded as voting "nay" on **SB 293.** Agreed.

Recess

Representative LeMaster moved that the House recess until 9:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

Representative Clarke moved that the following Free Conference Committee Report be adopted on **HB 295.** Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

The General Assembly copy of **HB 295,** amended as follows:

On page 2, line 10, by deleting the words, "Also included in the above appropriation is";

and on line 11-15, by deleting lines 11-15 in their entirety;

and on line 24, by deleting the words, "Also included in the";

and on lines 25-26, by deleting lines 25-26 in their entirety;

On page 3, lines 1-3, by deleting lines 1-3 in their entirety;

On page 6, line 17, by deleting the amount, "3,400,000", and inserting in lieu thereof the amount: 3,050,000; and by deleting the amount, "3,500,00", and inserting in lieu thereof the amount: 3,150,000;

On page 7, after line 6, by adding the following:

"Included in the above appropriation for Jailer's Fees is $150,000 each fiscal year for state payment of medical expenses for indigent prisoners in county jails pursuant to KRS 441.010. Notwithstanding other statutory provisions to the contrary, it is intent of the General Assembly that payment be provided only for emergency medical services for indigents which cannot be postponed until after the period of confinement without hazard to the needy person. such emergency medical services will include an initial examination only after which hospitalization or extensive medical care is required and certified. The General Assembly directs that the administrative body responsible for fund distribution develop regulations and procedures to enforce the intent of the law."

line 20, by deleting the amount, "22,929,600" and inserting in lieu thereof by amount; 22,579,600;

line 21, by deleting the amount, "23,079,600", and inserting in lieu thereof the amount: 22,729,600;

on page 8, lines 15-22, by deleting lines 15-22 in their entirety;

on page 10, line 21, by inserting after the word, "funds" the following:

"personnel, necessary equipment, furnishings and the supplies associated with the operation of the Personnel board,";

on page 11, line 18, by adding after the word, "review", and before the period, the following:

"and/or to address recruitment and/or retention problems in specific job classifications.";

on page 12, line 11, by deleting the amount "2,000,000" and inserting in lieu thereof the amount : 1,000,000;

line 12, by deleting the amount "2,000,000", and inserting in lieu thereof the amount: 1,000,000;

on page 13, line 9, by deleting the amount, "81,466,200", and inserting in lieu thereof the amount: 80,466,200;

line 10, by deleting the amount, "124,066,800", and inserting in lieu thereof the amount: 123,066,800;

On page 14, line 3, by deleting the amount, "4,046,700", and inserting in lieu thereof the amount: 4,371,700;

line 4, by deleting the amount, "4,384,100", and inserting in lieu thereof the amount: 4,684,100;

after line 13, by adding the following:

"Included in the above appropriation is $325,000 in fiscal year 1982-83 and $300,000 in fiscal year 1983-84 for the operating costs associated with the state's helicopters."

On page 15, line 11, by deleting the amount, "5,888,900", and inserting in lieu thereof the amount: 6,213,900;

line 12, by deleting the amount, "6,357,500", and inserting in lieu thereof the amount: 6,657,500;

on page 16, line 6, by deleting the amount, "33,393,100", and inserting in lieu thereof the amount: 32,393,100;

line 7, by deleting the amount, "35,445,100", and inserting in lieu thereof the amount: 34,945,100;

after line 16, by adding the following:

"On or before June 30, 1983, the Department of Revenue shall certify to the interim joint committee on appropriations and revenue the amount of General Fund tax receipts collected during fiscal year 1982-83 directly attributable to the additional auditors and tax examiners employed under the provisions of this Act. Such auditors and tax examiners shall be those employed for fiscal year 1982-83 over and above the number of auditors and tax examiners employed during the fiscal year 1981-82. Any amount so certified to the interim joint committee on appropriations and revenue up to and including $500,000 may be expended by the Department of Revenue for fiscal year 1983-84 for the employment of additional auditors or tax examiners, and such funds are hereby appropriated. In the event that the amount so certified to the interim joint committee on appropriations and revenue exceeds $500,000, such amount shall be added to the Budget Reserve Trust Fund provided for in this Act, and such funds are hereby appropriated."

line 24, by deleting the amount, "6,691,200", and inserting in lieu thereof the amount: 6,770,100;

line 25 by deleting the amount, "7,140,600", and inserting in lieu thereof the amount: 7,277,900;

On page 17, line 1, by deleting the amount, "7,074,100", and inserting in lieu thereof the amount: 7,174,400;

line 2, by deleting the amount "7,596,100", and inserting in lieu thereof the amount: 7,692,900;

line 5, by deleting the amount "13,765,300", and inserting in lieu thereof the amount: 13,944,500;

line 6, by deleting the amount, "14,736,700", and inserting in lieu thereof the amount: 14,970,800;

on page 21, line 2, by deleting the amount, "3,001,700", and inserting in lieu thereof the amount:3,501,700;

line 3, by deleting the amount, "3,190,200", and inserting in lieu thereof the amount: 3,690,200;

after line 6, by adding the following:

"Also included in the above appropriation is $500,000 each fiscal year for grants to the Area Development Districts. No state funds, in excess of one percent (1%) of the total state funds provided to Area Development Districts in this Act, shall be expended for out-of-state travel in each fiscal year.";

line 9, by deleting the amount, "185,267,900", and inserting in lieu thereof the amount: 183,922,100;

line 10, by deleting the amount 232,654,00, and inserting in lieu thereof the amount: 231,838,100;

line 14, by deleting the amount "12,956,200", and inserting in lieu thereof the amount: 14,412,200;

line 15, by deleting the amount, "14,497,900", and inserting in lieu thereof the amount: 15,493,900;

line 16, by deleting the amount, "460,000", and inserting in lieu thereof the amount: 1,456,000;

and by adding after the word, "in", which appears after the last words on line 16, the word: each;

line 17, by deleting the year designation, "1983-84", and by deleting the phrase, "In addi-";

lines 18-21, by deleting lines 18-21 in their entirety;

On page 23, line 1, by deleting the amount, "1,787,000", and inserting in lieu thereof the amount: 1,862,000;

line 2, by deleting the amount, "1,787,800", and inserting in lieu thereof the amount: 1,862,800;

after line 5, by adding the following:

"Included in the above appropriation is $350,000 in each fiscal year for the Heritage Division. At least $75,000 in each fiscal year shall be expended for grants for historic preservation administered by the Heritage Division. If the Heritage Division function is transferred from this agency by Act of the 1982 General Assembly, $50,000 in each fiscal year from the Administrative Service program shall also be transferred."

line 26, by deleting the amount, "2,887,000", and inserting in lieu thereof the amount: 2,962,000;

on page 24, line 1, by deleting the amount, "3,087,800", and inserting in lieu thereof the amount: 3,162,800;

line 11, by deleting the amount, "8,223,300", and inserting in lieu thereof the amount: 7,723,300;

line 12, by deleting the amount "8,462,300", and inserting in lieu thereof the amount: 7,962,300;

line 13, by deleting the amount, "1,000,000", and inserting in lieu thereof the amount: 500,000;

line 14, by deleting the amount, "1,000,000", and inserting in lieu thereof the amount: 500,000;

line 21, by deleting line 21 in its entirety;

after line 22, by adding the following:

"The Secretary of Finance is authorized to advance up to $1,000,000 in fiscal year 1982-83 from General Fund receipts which sum shall be restored to the General Fund by June 30, 1983, in anticipation of the $50,000,000 bond proceeds authorized in Part V of this Act.";

lines 23-26, by deleting lines 23-26 in their entirety;

On pages 25, lines 1-3, by deleting lines 1-3 in their entirety;

line 4, by deleting the following words, "close of fiscal year 1982-83.";

line 17, by deleting the amount, "31,292,400", and inserting in lieu thereof the amount: 31,323,400;

line 18, by deleting the amount, "41,684,800", and inserting in lieu thereof the amount: 42,255,800;

On page 27, line 3, by deleting the amount, "9,608,800", and inserting in lieu thereof the amount: 9,839,900;

line 4, by deleting the amount, "10,267,500", and inserting in lieu thereof the amount; 11,035,300;

lines 5-7, by deleting lines 5-7 in their entirety and inserting in lieu thereof the following:

"Included in the above appropriation is $836,000 in fiscal year 1982-83 and $898,700 in fiscal year 1983-84 to match federal dollars for the Adult Education program in accordance with federal regulations; $350,000 in each year of the biennium for student testing; and $4,302,700 in fiscal year 1982-83 and $4,625,400 in fiscal year 1983-84 earmarked as state matching funds for the School Lunch Assistance program in accordance with federal regulations. Also included is $131,700 in fiscal year 1982-83 and $133,300 in fiscal year 1983-84 for debt service, and $1,580,500 in fiscal year 1982-83 and $2,226,700 in fiscal year 1983-84 for maintenance of facilities and building insurance costs. The amounts herein identified shall be the maximum amounts expended for these purposes and no others, except as provided in this Act. Any surplus shall lapse to the General Fund."

On page 28, line 11, by deleting the amount, "817,287,000", and inserting in lieu thereof the amount: 811,449,500;

line 12, by deleting the amount, "864,779,000", and inserting in lieu thereof the amount: 866,040,500;

On page 33, line 10, by deleting the amount, "800", and inserting in lieu thereof the amount: 736;

and by deleting the amount, "850", and inserting in lieu thereof the amount: 782;

line 22, by deleting the word, "enrolled", and inserting in lieu thereof the words: in average daily attendance;

On page 34, line 2, by deleting the word "eight" and inserting in lieu thereof the word: nine;

and by deleting the word, "four" and inserting in lieu thereof the word: six;

and by deleting the figure, "8.4" and inserting in lieu thereof the figure: 9.6;

line 5, by deleting the word, "six", and inserting in lieu thereof the word: seven;

line 6, by deleting the word, "three", and inserting in lieu thereof the word: two;

and by deleting the figure, "6.3", and inserting in lieu thereof the figure: 7.2;

after line 8, by adding the following:

"The Superintendent of Public Instruction shall enforce the limited class size of 25 in average daily attendance of grades kindergarten through three (3) on a district-wide basis for each local school district.";

after line 19, by adding the following:

"The State Board of Education shall promulgate regulations upon the recommendation of the superintendent of public instruction which shall cause ASIS units to be allocated with first priority given to funding units required for accreditation, and second priority given to adding units for classroom instruction. The third priority of funding shall be given to other needs for ASIS units in local school districts.";

line 23, by deleting the amount, "3,680", and inserting in lieu thereof the amount: 3,750;

and by deleting the amount, "4,050", and inserting in lieu thereof the amount: 4,130;

On page 36, line 14, by deleting the amount, "73,720,700", and inserting in lieu thereof the amount: 76,166,500;

line 21, by deleting the amount, "73,720,700", and inserting in lieu thereof the amount: 76,166,500;

On page 37, line 20, by deleting the amount, "34,100,000", and inserting in lieu thereof the amount: 37,550,000;

line 21, by deleting the amount "37,510,00", and inserting in lieu thereof the amount: 3,981,500;

On page 38, line 1, by deleting the amount, "4,132,300", and inserting in lieu thereof the amount: 7,033,600;

line 3, by deleting the amount, "2,080,700", and inserting in lieu thereof the amount: 2,131,000;

and by deleting the amount, "2,185,700", and inserting in lieu thereof the amount: 5,087,000;

after line 4, by adding the following:

"The Program Review and Investigation Committee is hereby directed to study the statutory provisions and operations with regard to the Gifted and Talented Program to determine the effectiveness, worth and advisability of continuance beyond fiscal year 1983-84 and shall report its findings and recommendations to the 1984 General Assembly.";

On page 40, line 4, by deleting the amount, "963,109,500", and inserting in lieu thereof the amount: 961,003,400;

line 5,by deleting the amount, "1,027,907,400", and inserting in lieu thereof the amount: 1,032,838,000;

line 8, by deleting the amount, "6,319,000", and inserting in lieu thereof the amount: 7,391,800;

line 9, by deleting the amount, "6,698,200", and inserting in lieu thereof the amount: 7,741,600;

On page 44, line 7, by deleting the amount "1,090,828,200" and inserting in lieu thereof the amount "1,089,794,900";

and on line 8, by deleting the amount "1,173,953,000" and inserting in lieu thereof the amount "1,179,927,000";

and on line 16, by deleting the amount "644,000" and inserting in lieu thereof the amount "806,300";

and on line 17, by deleting the amount "728,500" and inserting in lieu thereof the amount "905,700";

and after line 21, by adding the following:

"Included in the above appropriation is $162,300 in fiscal year 1982-83 and $177,200 in fiscal year 1983-84 for the purpose of providing technical assistance to those small coal operators in accordance with KRS 350.450(5). The Program Review and Investigations Committee is hereby directed to study the operation of this assistance program, to evaluate its worth for continuance, and to submit its findings and recommendations to the 1984 General Assembly."

On page 45, line 6, by deleting the amount "12,206,300" and inserting in lieu thereof the amount "12,368,600"

and on line 7, by deleting the amount "15,058,200" and inserting in lieu thereof the amount "15,235,400" and on line 10, by deleting the amount “7,170,200” and inserting in lieu thereof the amount “7,320,200”

and on line 11, by deleting the amount “7,737,900” and inserting in lieu thereof the amount “7,887,900”;

and after line 11, by adding the following:

“Included in the above appropriation is $150,000 in each fiscal year for the Contagious Equine Metritis (C.E.M.) Program.”

And on page 46, line 5, by deleting the amount “24,518,700” and inserting in lieu thereof “24,831,000”

and on line 6, by deleting “29,551,800” and inserting in lieu thereof “29,879,000”

and on line 10, by deleting the amount”4,387,400” and inserting in lieu thereof the amount “4,436,100”;

and on line 11, by deleting the amount”4,656,900” and inserting in lieu thereof the amount”4,733,600”;

On page 48, line 26, by deleting the amount “83,504,500” and inserting in lieu thereof the amount “83,604,500”;

On page 49, line 1, by deleting the amount “92,786,100” and by inserting in lieu thereof the amount “92,886,100”;

and on line 4, after the period following the word “service” by adding the following: “Also included in the above appropriation is $100,000 in each fiscal year for the Kentucky Community Cancer Program.”

and on line 7, by deleting the amount “154,797,100” and inserting in lieu thereof the amount “155,077,100”;

and on line 8, by deleting the amount “173,342,800” and inserting the amount “173,662,800”;

and on line 17, by deleting the amount “23,887,100” and inserting in lieu thereof the amount “23,967,100”

and on line 18, by deleting the amount “28,423,900” and inserting in lieu thereof the amount “28,543,900”;

and on line 18, after the period following the year 1983,84, by adding the following:

“Included in the appropriation to the Community College system is $80,000 in fiscal year 1982-83 and $120,000 in fiscal year 1983-84 to begin a nursing program at Hazard Community College.”

and after line 18, by adding the following:

“Included in the above appropriation is at least $100,000 in each fiscal year for the Diagnostic Laboratory to be used for the C.E.M. testing program. Also included is $100,000 in each fiscal year for the Kentucky Community Cancer Program.””

and on line 21, by deleting the amount “383,173,000” and inserting in lieu thereof the amount “383,601,700”;

and on line 22, by deleting the amount “420,529,200” and inserting in lieu thereof the amount “421,025,900”;

On page 50, line 26, by deleting the amount “199,514,900” and inserting in lieu thereof the amount “197,592,900”;

On page 51, line 1, by deleting the amount "223,939,600" and inserting in lieu thereof the amount "221,222,600";

and on line 9, by deleting the amount "2,050,000" each time it appears on the line, and inserting in lieu thereof in each respective place the amount "500,000";

and on line 13, by deleting the amount "150,139,600" and inserting in lieu thereof the amount "148,217,600";

and on line 14, by deleting the amount "173,054,400" and inserting in lieu thereof the amount "170,337,400";

On page 53, line 26, by deleting the amount "105,331,200" and inserting in lieu thereof the amount "105,431,200";

On page 54, line 1, by deleting the amount "109,346,200" and inserting in lieu thereof the amount "109,446,200";

and on line 7, by deleting the words "Regional Mental Health-Mental";

and on line 8, by deleting the words "Retardation Boards" and inserting in lieu thereof the words "various organizations to provide community mental health-mental retardation services";

and on lines 9 through 12, by deleting lines 9 through 12 in their entirety;

On page 55, line 17, by deleting the words "In addition, the Department is hereby directed to";

and on lines 18-21, by deleting lines 18-21 in their entirety;

On page 56, line 3, by deleting the amount "37,767,900" and inserting in lieu thereof the amount "39,317,900";

and on line 4, by deleting the amount "42,890,700" and inserting in lieu thereof the amount "44,245,000";

and on line 12, by deleting the amount "345,700" and inserting in lieu thereof the amount "150,000";

On page 58, line 23, by deleting the amount "383,494,200" and inserting in lieu thereof the amount "383,222,200";

and on line 24, by deleting the amount "420,172,400" and inserting in lieu thereof the amount "418,909,700";

On page 59, line 19, by deleting the amount "57,413,600" and inserting in lieu thereof the amount "57,711,600";

and on line 20, by deleting the amount "60,795,200" and inserting in lieu thereof the amount "61,516,800"

On page 59, lines 21-26, by deleting lines 21-26 in their entirety;

On page 60, lines 1-4, by deleting lines 1-4 in their entirety;

and on line 5, by deleting the words "active duty." and inserting in lieu thereof the following:

"Included in the above appropriation is $82,000 FY 1982-83 and $86,100 FY 1983-84 for the reinstatement of 5 arson investigators. It is the intention of the General Assembly that as driver testers retire, non-supervisory positions be filled by civilian personnel. In no case shall said sworn supervisory personnel exceed one per post."

On page 63, line 1, by deleting the amount "72,601,100 and inserting in lieu thereof the amount "72,897,100";

and on line 2, by deleting the amount "71,262,500" and inserting in lieu thereof the amount "71,984,100";

and on line 19, by deleting the amount "6,945,400" and inserting in lieu thereof the amount "6,745,400";

and one line 20, by deleting the amount "7,351,300" and inserting in lieu thereof the amount "7,251,300";

and after line 20, by inserting the following:

"Included in the above appropriation is at least $200,000 in fiscal year 1982-83 and $100,000 in fiscal year 1983-84 for operation of the national Pollution discharge Elimination System as authorized in KRS 224.034."

On page 64, line 18, by deleting the amount "21,695,000" and inserting in lieu thereof the amount "21,495,000";

and on line 19, by deleting the amount "23,551,100" and inserting in lieu thereof the amount "23,451,100"

On page 65, line 5, by deleting the amount "21,908,200" and inserting in lieu thereof the amount "21,708,200";

On page 65, line 6, by deleting the amount "23,780,200" and inserting in lieu thereof the amount "23,680,200";

On page 66, line 16, by deleting the amount "5,084,500" and inserting in lieu thereof the amount "6,044,500";

and on line 17, by deleting the amount "5,408,200" and inserting in lieu thereof the amount "6,198,200";

On page 67, line 24, by deleting the amount "941,800" and inserting in lieu thereof the amount "732,800";

and on line 26, by deleting line 26 in its entirety;

On page 68, lines 1 and 2, by deleting lines 1 and 2 in their entirety;

and on line 6, by deleting the amount "22,427,400" and inserting in lieu thereof the amount "23,178,400";

and on line 7, by deleting the amount "21,424,000" and inserting in lieu thereof the amount "22,214,000";

On page 70, line 23, by deleting the amount "2,273,633,200" and inserting in lieu thereof the amount "2,272,601,100";

and on line 24, by deleting the amount "2,497,893,600" and inserting in lieu thereof the amount "2,504,918,000";

On page 85, line 6, by deleting the amount "161,374,300" and inserting in lieu thereof the amount "161,774,300";

and on line 7, by deleting the amount "171,391,000" and inserting in lieu thereof the amount "171,791,000";

and after line 7, by adding the following:

"Included in the above appropriation is $400,000 in each fiscal year for debt service. These amounts in addition to $615,800 debt service contained in the fiscal year 1983-84 General Fund appropriation for the University of Kentucky are to be used for the Mining and Minerals Resources Building."

On page 86, line 26, by deleting the words "Regional Mental" and inserting the words "various organizations to provide community mental";

On page 87, line 1, by deleting the words "Health-Mental Retardation Boards" and inserting in lieu thereof the word "services";

and on line 16, by deleting the words "from the insurance pre-";

and on line 17, by deleting the words "mium tax" and inserting the words "pursuant to KRS 136.340";

and on page 90, line 2, by deleting the words "from the insurance pre-";

and on line 3, by deleting the words "mium tax" and inserting the words "pursuant to KRS 136.340";

On page 93, after line 11, by adding the following:

"Effective July 1, 1983, any federal funds authorized by the federal omnibus budget reconciliation act of 1981 (P.L. 97-35) and by any subsequent amendments thereto and by any federal block grant authorized by the United States Congress and any state matching funds relating thereto shall not be utilized for any federal block grant unless the federal block grant application containing the plan for the proposed use and distribution of such funds has been approved by the legislative research commission or by the Kentucky general assembly."

On page 98, line 14, by deleting the amount "641,702,900" and inserting in lieu thereof the amount "632,520,900";

and on line 15, by deleting the amount "669,659,000" and inserting in lieu thereof the amount "659,272,000";

On page 104, line 16, by deleting the words "notwithstanding KRS 143.090,";

and on line 18, by adding after the comma following the word "Fund" the following: "pursuant to KRS 143.090,";

and on line 21, by deleting the amount and words "$21,750,000 in fiscal year";

and on line 22, by deleting the year "1981-92," and by deleting the amount "42,750,000" and inserting in lieu thereof the amount "21,750,000";

On page 104, line 23, by deleting the amount "42,750,000" and inserting in lieu thereof the amount "21,750,000";

On page 105, line 1, by adding after the period the word "certification" the following:

"However, in the event other Transportation Fund resources are not sufficient to meet lease rental payments, the total amount required for meeting lease rental payments as certified by the Secretary of Transportation under KRS 143.090 shall be transferred to the Transportation Fund pursuant to KRS 143.090."

and on line 4, by deleting the words "constructing and rehabilitating" and inserting in lieu thereof the words "construction and reconstruction";

On page 107, line 15, by deleting the amount "457,323,200" and inserting in lieu thereof the amount 450,050,100";

and on line 16, by deleting the amount "489,417,700" and inserting in lieu thereof the amount "473,894,900";

On page 110, line 20, by deleting the amount "460,656,000" and inserting in lieu thereof the amount "453,382,900";

and on line 21, by deleting the amount "492,495,700" and inserting in lieu thereof the amount "476,972,600";

On page 111, line 7, by deleting the amount "492,040,100" and inserting in lieu thereof the amount "484,767,000";

and on line 8, by deleting the amount "524,682,000" and inserting in lieu thereof the amount "509,158,900";

On page 122, line 9, by deleting the amount "425,500" and inserting in lieu thereof the amount "452,500";

and after line 9, by adding the following:

"f.	Sikorsky S-76 lease/rental Investment Income	308,400	308,400
g.	Sikorsky Engines (2) and Transmission Replacement Investment Income	210,000	
h.	Armory, Hazard		
	Investment Income		434,400
	Federal Fund		795,400
			1,229,800
I.	Armory, Jackson		
	Investment Income		444,300
	Federal		956,500
			1,400,800"

On page 122, line 25, by deleting line 25 in its entirety;

and on line 26, by deleting each of the amounts "500,000" and inserting in lieu thereof in each case the amount "1,500,000";

On page 127, after line 11, by adding the following:

	b.	Elizabethtown State Vocational Technical School Bond Fund	3,150,000	
	c.	Morehead State Vocation Technical School Bond Fund	5,145,000	
	d.	Ashland State Vocation Technical School Bond Fund	3,150,000	
4.	Kentucky Educational Television			
	a.	Video Routing Switches General Fund		150,000
	b.	Audio Control Consoles General Fund		125,000
	c.	Film Island Ca General Fund		200,000
	d.	Videotapes Origination Equipment General Fund		250,000"

On page 136, after line 22, by adding the following:

"(1981-82 - Agency fund - $356,000)"

On page 143, line 22, by deleting the amount "8,000,000" and inserting in lieu thereof the amount "14,000,000"

On page 146, after line 15, by adding the following:

"d.	Juvenile Code Renovation Projects General Fund	630,000"

On Page 147, after line 7, by adding the following:

"I. Justice

State Police
Post (19) Pikeville
Investment Income (1981-82
200,000)"

On page 151, after line 5, by adding the following:

"In the event Federal Revenue Sharing funds, which were received in prior years, are not needed for the purpose for which they were appropriated in prior years, then these Revenue Sharing funds may be transferred to the emergency repair and maintenance account or may be used as an alternate funding source for any capital construction project authorized by this Act, other than Agency Funds, subject to approval of the Secretary of the finance and Administration Cabinet and subject to thirty (30) days prior notice to the Capital Construction and Equipment Purchase Oversight Committee."

and on line 25, by deleting the words "final and";

and on line 26, by deleting the word "conclusive" and inserting in lieu thereof the following: "transmitted to the interim joint committee on appropriations and revenue for review";

On page 156, line 11, by deleting the word "enacted" and inserting the word "final" and by adding after the word "budget" the word "document";

and on line 12, by deleting the word "adjustments" and inserting in lieu thereof the word "revisions";

and on line 13, by deleting the word "any" and by deleting the partial word "communi-";

and on line 14, by deleting the partial word "cated" and inserting the word "transmitted"

and on line 15, by deleting the words "on a regular basis" and inserting in lieu thereof the words "for review";

On page 157, line 4, by deleting the words "Notwithstanding KRS 143.090,";

and on line 7, by adding after the comma following the word "Fund" the following words: "pursuant to KRS 143.090,";

and on line 9, by deleting the amount and words "$21,750,000 in fiscal";

and on line 10, by deleting the words "year 1981-82"; and by deleting the amount "42,750,000" and inserting in lieu thereof the amount "21,750,000";

On page 157, line 11, by deleting the amount "42,750,000" and inserting in lieu thereof the amount "21,750,000";

and after line 15, by adding the following:

"However, in the event other Transportation Fund resources are not sufficient to meet lease rental payments, the total amount required for meeting lease rental payments as certified by the Secretary of Transportation under KRS 143.090 shall be transferred to the Transportation Fund pursuant to KRS 143.090."

On page 159, line 15, by deleting the words "constructing and reh-";

and on line 16, by deleting the partial word "bilitating" and inserting in lieu thereof the words "construction and reconstruction";

On page 160, line 7, after the comma following the word "If" by adding the following: "-fical year 1982-83 and fiscal year 1983-84,"

On page 60, line 22, by deleting the amount "19,500,000" and inserting in lieu thereof the amount "18,235,800";

and on line 22, by deleting the amount "48,000,000" and inserting in lieu thereof the amount "40,980,400";

and on line 23, by adding after the period the following:

"Any amount certified to the interim joint committee on appropriations and revenue according to the provisions of Part I 14. in excess of $500,000 and up to $22,500,000, shall be transferred to the Budget Reserve Trust fund provided for in this Act, and such funds are hereby appropriated."

On page 161, line 26, by adding after the word "of" a comma "," and the following words: "except public institutions of higher education";

On page 162, after line 10, by adding the following:

"(3) During fiscal year 1982-83, the subsections of this provision shall apply to public institutions of higher education prior to the termination of existing contracts for medical or hospitalization insurance which occur during fiscal year 1982-83."

On page 163, lines 6-12, by deleting lines 6-12 in their entirety; and after line 5, by adding the following:

"Section 20. There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which said claims were chargeable, the sums hereinafter specified:

H. Garrett Adams, M.D. P. O. Box 6832 Louisville, Kentucky 40207	$ 340.00
Adver-Tek P. O. Box 12115 Lexington, Kentucky 40511	$ 99.90
American Pro Hunter - Knepshield Company P. O. Box 7626 Louisville, Kentucky 40207	$ 7,294.69
Arnold Graphic, Inc. 3717 Taylorsville Road S-128 Louisville, Kentucky 40220	$ 163.78
Belknap, Inc. P. O. Box 32900 Louisville, Kentucky 40232	$ 409.53

Berea Farm Service I-75 & Ky. 21 Berea, Kentucky 40403	$ 1,989.09
Berea Hospital, Inc. Estill Street Berea, Kentucky 40403	$ 20.00
Callis & Johnson, P.S.C. Mayfair Square Professional Bldg. Owensboro, Kentucky 42301	$ 248.00
Capital Travel Agency 116 West Main Street Frankfort, Kentucky 40601	$ 76.00
Cardinal Office Supply 576 East Main Street Frankfort, Kentucky 40601	$ 411.60
Sharon Hamer Carrier Credit & Collection, Inc. P. O. Box 19953 Kansas City, Missouri 64141	$ 31.14
Central Baptist Hospital 1740 Limestone Lexington, Kentucky	$ 261.16
C & O Railroad 2 North Charles Street Baltimore, Maryland 21201	$ 100.00
Coca Cola Bottling Company P. O. Box Drawer 389 Shelbyville, Kentucky 40065	$ 47.87
Drs. Cohen & Silk, P.S.C. 250 East Liberty Louisville, Kentucky	$ 713.00
Robert T. Crosby, M.D. 1403 Andrea Street Bowling Green, Kentucky 42101	$ 434.00
Dan's Marina U.S. 42 West Warsaw, Kentucky 41095	$ 68.40
William J. Davis Company 8050 Hosbrook Drive Cincinnati, Ohio 45236	$ 237.60
The F Stop Chris Bohmer Route 10, Grimes Mill Rd. Lexington, Kentucky 40505	$ 64.40
Fisher Scientific Company 5481 Creek Road Cincinnati, Ohio 45242	$ 171.36

Florence Crittenton Home 185 Division Street Nashville, Tennessee 37203	$ 2,167.20
General Telephone Company P. O. Box 3516 Lexington, Kentucky 40556	$ 1,082.31
Leonard A. Goddy, M.D. 801 Barrett Avenue Louisville, Kentucky 40204	$ 2,946.50
John S. Hoffman Henderson, Kentucky 42420	$ 378.80
Harriet Jane Jaggers 1963 Meadowcreek Louisville, Kentucky	$ 72.80
Donald G. Hartman 1705 Gettysburg Lexington, Kentucky	$ 26.00
Kings Daughters Hospital 2201 Lexington Avenue Ashland, Kentucky 41101	$ 248.00
Lowes of Frankfort P.O. Box N., U.S. Highway 421 S. Frankfort, Kentucky 40601	$ 4,814.46
Treasurer, Martin County Inez, Kentucky	$ 2,380.00
Moore Business Forms P.O. Box 23179 Lexington, Kentucky 40503	$ 397.80
Murphy - Hennessee, Inc. 1635 Triplett Street Owensboro, Kentucky 42301	$ 83.00
Ambulance Inc. of Laurel County P.O. Box 45 London, Kentucky 40741	$ 51.00
The Old Ky. Home Country Club, Inc. P.O. Box 407 Bardstown, Kentucky 40004	$ 4,039.76
Pathology & Cytology Laboratories 2370 Nicholasville Road Lexington, Kentucky 40503	$ 303.00
Pepsi - Cola Bottling Co. 1333 Versailles Road Lexington, Kentucky 40504	$ 302.95
Power Unlimited 616 Myrtle Street Louisville, Kentucky 40208	$ 57.00

Tyra Brumbeck Jackson County	$ 163.42
Roger Collins Perry County	$ 185.35
Plumbers Supply Company P.O. Box 7133 Lexington, Kentucky 40502	$ 297.59
Rankin & Rankin 434 Scott Street Covington, Kentucky 41011	$ 8,157.50
Frank Reaves, Jr. Suite 310, 1st National Bldg. Lexington, Kentucky 40507	$14,487.84
Red Bird Hospital Clinic Beverly, Kentucky 40913	$ 55.25
John Schwab, M.D. University of Louisville Health Sciences Center School of Medicine Louisville, Kentucky 40292	$ 250.00
Scott Gross Co., Inc. 664 Magnolia Avenue Lexington, Kentucky 40505	$ 508.00
South Central Bell Louisville, Kentucky	$34,435.61
Carolyn Starbuck 537 Fogo Court Lexington, Kentucky	$ 16.00
Sun Information Services of Ky., Inc. 656 E. Swedesford Road Wayne, Pa. 19087	$ 4,065.18
Surgical Heart Group 718 Medical Towers, North Louisville, Kentucky 40202	$ 2,723.00
Travenol Laboratories, Inc. Artificial Organs P.O. Box 95683 Chicago, Illinois 60694	$ 651.86
University Surgical Associates P.O. Box 34004 Louisville, Kentucky 40232	$ 2,281.50
Jackie Sue Warner 105 Elkhorn MHP Frankfort, Kentucky 40601	$ 12.00

Webb & Geevarghese, PSC Children's Foundation Building 601 South Floyd St. Louisville, Kentucky 40202	$ 345.00
Carl Wedekind, Jr. 3400 First National Tower Louisville, Kentucky 40202	$ 1,673.65
Don K. Weedman Box 71 Banner, Kentucky	$ 163.00
Norman B. Wiggam Box 178 New Washington, Indiana 47162	$ 753.27
Xerox Corporation 10001 Linn Station Road Louisville, Kentucky 40223	$ 1,843.00
Xerox Corporation P.O. Box 36084 M Pittsburg, Pa. 15250	$ 350.00
J. C. Yagel Hardware 308 Ann Street Frankfort, Kentucky 40601	$ 44.86
Albright and Barkley, Inc. 1408 Versailles Road Lexington, Kentucky 40504	$ 130.27
Clark Service Company c/o Hon. Douglas Gene Sharp 601 West Main Street Louisville, Kentucky 40202	$ 4,535.16
Friend Tractor & Motor Company 511 North Broadway Georgetown, Kentucky 40324	$ 34.24
R. V. May Company P.O. Box 5228 1535 Delaware Road Lexington, Kentucky 40555	$ 505.85
Kentucky State Treasurer Capital Annex Building Frankfort, Kentucky 40601	$ 112.72
Dictaphone Corporation P.O. Box 2504 Grand Central Station New York City, New York 10017	$ 1,460.20
Bradley Asher, Jr. Route #3 Speedwell, Tennessee 37870	$ 30.42
Allen W. Barnes 9208 Bermuda Court Crestwood, Kentucky 40014	$ 1.96

Lona Barnett 508 Highview Terrace North Brandon, Florida 33511	$ 10.73
Homer R. Boyd 317 W. North Street Springfield, Ohio 45504	$ 498.00
E. C. Buchanan 943 Clay Street Hartford, Kentucky 42347	$ 22.99
Mona Burkhalter Pewee Valley, Kentucky 40056	$ 20.84
James & B. Charles Argo, Kentucky 41511	$ 53.59
John W. & Virgie Dugan Route #2 Cox's Creek, Kentucky 40013	$ 6.59
L. B. & G. S. Fairchild 435 N. Arnold Avenue Prestonsburg, Kentucky 41653	$ 13.85
Foley Construction Company 5050 Orchard Street Cincinnati, Ohio 45212	$ 1,000.00
David J. Guffey Route #3, Box 112 Albany, Kentucky 42602	$ 6.70
J. H. Harmon c/o Mrs. Lorraine Goins Bureau of State Police Frankfort, Kentucky 40601	$ 802.21
John C. & M. E. Harris 3809 Rimonte Drive Louisville, Kentucky 40220	$ 5.91
Joseph B. Henriksen 1609 Dundee Road Louisville, Kentucky 40205	$ 94.06
Albert & D. Jump Box 741, Hogreffe Road Independence, Kentucky 41051	$ 68.00
Sam King P.O. Box 237 Burnside, Kentucky 42519	$ 879.24
Paul M. Kogut 217 Dennison Street Highland Park, New Jersey 08904	$ 4,469.39
Sam L. Luttrell 6300 Southe Point Blvd. Unit 440 Fort Myers, Florida 33907	$ 21.44

Joseph E. McDougall 5301 Vista Louisville, Kentucky 40214	$	2.64
Herbert M. & M. M. McGaughey 12214 Davidson Drive Middletown, Kentucky 40243	$	28.00
Robert H. Melton P.O. Box 951 Clarksville, Tennessee 37040	$	5.02
Helen A. Patton 629 Buttermilk Park Crescent Springs, Kentucky 41017	$	3.90
Steven H. Pittleman 329 East 63rd Street Apartment 3J New York, New York 10021	$	30.53
Harolyn H. Rasche 2929 Jefferson Street Paducah, Kentucky 42001	$	101.34
Steve Rust Route #2, Box 258 California, Kentucky 41007	$	11.20
John L. Shepherd Box 186 Benham, Kentucky 40807	$	3.62
Mary R. Shoemaker 808 Cedar Street Owensboro, Kentucky 42301	$	25.98
Bernard L. Smith 4211 Allendorf Drive, #10 Cincinnati, Ohio 45209	$	7.05
Mary A. Smith Helms 141 Creekwood Lane Hendersonville, Tennessee 37075	$	9.45
Anita Sutherland Route #1 Bagdad, Kentucky 40003	$	160.54
W. H. Webb 701 Henry Clay Blvd. Lexington, Kentucky 40502	$	30.00
Aubrey H. & H. M. Wood Box 125, Route #1 Cerulean, Kentucky 42215	$	6.37
James H. Wrocklage 2904 Wimpole Court Louisville, Kentucky 40218	$	2.73

Russell N. Ferguson Route #2 Hopkinsville, Kentucky 42240	$ 144.00
The Perkin - Elmer Corporation P. O. Box 95230 Chicago, Illinois	$ 2,882.75
U.S. Department of Commerce National Bureau of Standards Administration Bldg. - Room A807 Washington, DC 20234	$ 162.00
Breckinridge Sq. Apts. c/o David M. Carney 1820 Tyler Lane Louisville, Kentucky 40205	$ 273.62
R. L. Louden Route #3 Bedford, Kentucky	$ 153.09
M.S. & N.S. Edgerely 14 Hawthorn Hill Louisville, Kentucky 40204	$ 143.36

Section 2. The Department of Finance and the State Treasurer are authorized hereby to pay the following listed claims from the following funds:

(a) The Department of Labor is authorized to pay certain claims from their Agency Fund Account for employee Michael L. Roberts, the sum hereinafter specified:

Michael L. Roberts Bethlehem, Kentucky	$ 32.00

(b) The Transportation Department is authorized to make payment from the Transportation Fund, for State Treasury checks payable to the persons or their personal representatives, but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Breathitt Circuit Court Clerk Commonwealth vs. Burnice Griffith	$ 5,200.00
Breathitt Circuit Court Clerk Commonwealth vs. L. Turner Heirs	$ 200.00
C. L. Snapp c/o Department of Transportation Frankfort, Kentucky	$ 43.05

(c) Kentucky Retirement Systems is authorized to make payment from the Retirement Fund, for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five years from the date of issuance of such check, the sums hereinafter specified:

Hazel Savage 246 Chenault Road Lexington, Kentucky 40502	$ 105.39

H. B. Terhune
158 Mock Court
Harrodsburg, Kentucky 40330 $ 22.57

Gayle T. Brooks
843 Craig Street
Covington, Kentucky 41011 $ 47.89

Harold M. Lyons
3231 N. Talbort
Erlanger, Kentucky 41018 $ 15.49

Norman E. Niece
1630 Banklick Street
Covington, Kentucky 41011 $ 1.37

Robert G. Ross
1408 Greenup Street
Covington, Kentucky 41011 $ 39.94

Joseph L. Scivnor
218 West 34th Street
Covington, Kentucky 41015 $ 21.50

Jerry W. Sowders
6180 Decoursey Park
Covington, Kentucky 41015 $ .91

Estate of Edith M. David
c/o Mr. Brian Borellis
Geralds, Cassidy and Maloney
605 Court House Building
107 Cheapside
Lexington, Kentucky 40507 $ 101.87"

Representative LeMaster moved that **HB 295,** as amended by the Free Conference Committee, be taken from Orders of the Day and placed upon its passage. Agreed.

On the roll call the vote was yeas 81-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Ford, Foster, Gray, Hancock, Handy, Harper, Head, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, White, Williams, Worthington, Yates. Nays 14-Allen, Caldwell, Endicott, Freibert, Fryman, Guenthner, Haering, Lile, Moore, Patrick, Schmidt, Todd, Turner, Van Horn.

HB 295, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 295,** as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 83, HB 336, HB 525,** and **HJR 3** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:12 p.m.)

HB 83, HB 336, HB 525, and **HJR 3** delivered to the Senate, signed by President. ordered delivered to the Governor.

Orders of the Day (continued)

Representative LeMaster moved that all remained bills in Orders of the Day be recommitted to the Committee on Appropriations and Revenue. Agreed.

Representative LeMaster moved that no other business other than Enrollment and receiving Senate Messages be conducted on this day. Agreed.

Representative LeMaster moved that the rules be suspended for the purpose of making adjournment plans. Agreed.

Representative LeMaster moved that when the House adjourns, it do so by voice vote. Agreed.

Representative LeMaster moved that when the House adjourns, it do so until 2:00 p.m. Tuesday,April 13, 1982. Agreed.

Recess

Representative LeMaster moved that the House recess until 11:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

The Senate has adopted the Free Conference Committee Report on **HB 295** and has repassed the bill as amended in free conference.

Announcing passage of **HCR 122.**

Report on Enrolled Bills

The Committee on Enrollment reported **SB 7, SB 74, SB 190, SB 264, SB 316, SB 340, SB 348, HB 26, HB 295, HB 378, HB 415, HB 571, HB 785,** and **HB 810** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:55 p.m.)

HB 26, HB 295, HB 378, HB 415, HB 571, HB 785, and **HB 810** delivered to the Senate, signed by President. Ordered delivered to the Governor.

The Committee on Enrollment reported **SB 144, SB 173, SB 252, SB 279** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:50 p.m.)

Adjournment

Representative LeMaster moved that the House adjourn. The motion to adjourn was adopted by voice vote.

TUESDAY, APRIL 13, 1982

FIFTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Clarke, Gray and Johnson.

Representative Overstreet moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of March 31, 1982, be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 402** had been examined and found correctly enrolled. **HB 402** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:10 p.m.)

HB 402 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Representative LeMaster moved that the rules be suspended to allow presentation of the William G. Kenton award.

Representative Lundergan presented a portrait of the late Speaker William G. Kenton to his wife, Representative Carolyn Kenton.

Recess

Representative LeMaster moved that the House recess until 3:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day

Representative LeMaster moved that **HB 413** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 413** is as follows:

By the authority granted by Section 88 of the Kentucky Constitution I am vetoing House Bill 413. Our state's highest court in the case of *Sibert v. Garrett*, 197 Ky. 17, emphatically held that the appointment of executive officers is strictly an executive function and one that the legislature cannot assume. The reasons given by the court are the same reasons that I maintain and therefore I will adopt them as my own:

> "If such power would not tend or serve to destroy the purpose and intention sought to be accomplished by separating the powers of government in the Constitution, it would be difficult to conceive of one that would . . . . Furthermore, such power on the part of the Legislature, if a full exercise of it should be persisted in, would enable it to gradually absorb to itself the patronage and control of the greater part of the functioning agencies of the state and county governments, and, thus endowed, it would be little short of a legislative oligarchy."

The management of the State Fair Board is clearly an executive function.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 413** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 94-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 413 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 413** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 206** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 206** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution, I am vetoing House Bill 206. Since the general assembly chose to piggyback the major provision of House Bill 648 on House Bill 206, I am unable to review House Bill 206 on its merits. I am forced to judge House Bill 206 and house Bill 648 together. Enactment of this legislative branch exceeding its function and usurping the role of the executive branch of government. Also, the legislative oversight fund created by House Bill 206 appears to be an excessive cost. This fund could divert more than $3,000,000 during the biennium from the block grant programs to the legislative research commission. The appropriate oversight and review functions which are prescribed by House Bill 206 could be performed under the current interim committee system, and without the added cost.

The secretary for Human Resources supported the original House Bill 206, and has committed the department to implement the intent of House Bill 206 before amended.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 206** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 97-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 206 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 206** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 648** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 648** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution I hereby veto House Bill 648. This bill would, effective July 1, 1983, vest in the interim committee system absolute veto authority over the expenditure of federal block grant funds by agencies within the executive branch. In my opinion the legislature does not have such power when they are not in session. Although I have agreed to litigate this issue prior to the 1984 regular session I am still compelled to veto this bill because it has a provision, attached by the House, which provides that, were the executive branch to prevail in that litigation and this bill be held to be unconstitutional, the authority to expend these block grant funds would cease until the general assembly in regular or special session could approve such expenditures. The prohibition against expending these funds if and when such a court decision came down would mean an immediate halt to certain essential social service and educational programs until the legislature could be reconvened to consider these expenditures. Even a one month delay in the expenditure of these funds would create a severe hardship on many citizens and students of this Commonwealth.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 648** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 95-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 0.

HB 648 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 648** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 756** be taken from Orders of the Day for consideration of the Governor's veto. Agreed,

The Governor's veto message on **HB 756** is as follows:

By the authority granted by Section 88 of the Kentucky Constitution I am vetoing House Bill 756. Our states highest court in the case of *Sibert v. Garrett*, 197 Ky. 17, emphatically held that the appointment of executive officers is strictly an executive function and one that the legislature cannot assume. The reasons given by the court are the same reasons that I maintain and therefore I will adopt them as my own:

> "If such power would not tend or serve to destroy the purpose and intention sought to be accomplished by separating the powers of government in the Constitution, it would be difficult to conceive of one that would . . . . Furthermore, such power on the part of the Legislature, if a full exercise of it should be persisted in, would enable it to gradually absorb to itself the patronage and control of the greater

part of the functioning agencies of the state and county governments, and thus endowed, it would be little short of a legislative oligarchy."

Furthermore, the State Board of Elections appoints a majority of the members of each County Board of Elections. Therefore, the power to appoint a majority of the members of the State Board of Elections vested in representatives of 138 elected officials who must run for re-election every two or four years could, in my mind, create a conflict of interest and could lead to a broad abuse of political power. The present appointment process is conducted by elective officials who cannot succeed themselves.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 756** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 93-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Haering, Hancock, Handy, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 4-Craddock, Guenthner, McNutt, Tobin.

HB 756 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 756** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 538** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 538** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution, I hereby veto House Bill 538. While I strongly support the motivation behind this legislation, that is the redevelopment of our deteriorating inner cities, I do not feel state government needs to be in the business of insuring potential defaults on mortgages of private property owners. This program has been traditionally left to the private financial institutions or the federal government.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 538** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 78-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Farrow, Foster, Freibert, Hancock, Handy, Head, Heleringer, Hines, Holbrook, R. Jones, T. Jones, Kenton, Kidd, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Van Horn, White, Williams, Worthington, Yates. Nays 15-Allen, Craddock, Ellington, Endicott, Ford, Fryman, Guenthner, Haering, Harper, Holloway, McNutt, Patrick, Rattliff, Schmidt, Turner.

HB 538 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 538** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 681** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 681** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution, I hereby veto House Bill 681. House Bill 681 mandates an annual 5% pay raise for all executive branch employes, be they merit or non-merit. Current state government policy is to grant automatically such a 5% annual increment only to merit system employes. We are currently in the process of beginning to implement a pay for performance system that will eliminate the automatic increment and make annual increments based upon a "pay for performance" system which would entitle merit system employes to a salary increase percentage of as much as 10%, dependent upon their job performance evaluation.

I would like to emphasize that during the past two years the average increase for merit employes has been 12.5% per year and our evaluation indicates that their productivity level increased by 15% per year. Although the "pay for performance" system does not guarantee merit system employes a 5% pay raise each year, it does guarantee that for the first time their annual salary adjustments will be based upon their own personal job performance and not a bureaucratic system that guarantees employes a pay raise without regard to whether or not they are performing at the level expected. The new system will be a more equitable approach toward granting salary adjustments than the traditional method of automatically granting everyone an annual 5% increment without regard to performance or productiviey.

Signed: John Y. Brown, Jr.
Governor
April 1, 1982

Representative LeMaster moved that **HB 681** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 84-Arnold, Barrows, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Fryman, Hancock, Handy, Head, Hines, Holbrook, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Perkins, Petty, Priddy, Rattliff, Richards, B. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington, Yates. Nays 6-Caldwell, Freibert, Guenthner, Haering, Heleringer, Nett.

HB 681 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 681** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **HB 42** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **HB 42** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution I hereby veto House Bill 42. A senate amendment to House Bill 42 provides that prior to letting any contract by an airboard for purposes, other than direct air navigation services, the proposed use contemplated by the contract must be in compliance with local zoning and land use regulations.

KRS 183.867(1) currently provides that local zoning commissions may retain jurisdiction over zoning at airports except to the extent it pertains to "the safe and proper maneuvering of aircraft and the safe and proper use of the airport involved." Jurisdiction over those matters is vested in the Kentucky Airport Zoning Commission.

The enactment of House Bill 42 would appear to conflict with KRS 183.867 and furthermore could cause serious problems in Jefferson County. I am informed that currently the Jefferson County Zoning Commission's maps do not show any zoning district designation for either of the two Jefferson County airports. The zoning regulations of Jefferson County provide that any property not shown as being in a zoning district shall be R-1-residential. I am fearful that any contract the airport authority attempted to enter into would run afoul of that zoning classification.

Signed: John Y. Brown, Jr.
Governor
April 12, 1982

Representative LeMaster moved that **HB 42** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 78-Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Cline, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Farrow, Foster, Fryman, Hancock, Handy, Harper,Head, Heleringer, Hines, Holloway, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Pearman, Perkins, Petty, Priddy, Rapier, Richards, B. Richardson, P. Richardson, Riner, Robinson, Schmidt, Seum, B. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, White, Williams, Worthington. Nays 10-Allen, Freibert, Guenthner, Haering, Patrick, Rattliff, Tobin, Todd, Turner, Yates.

HB 42 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **HB 42** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that the rules be suspended to introduce a Resolution. Agreed.

Introduction of Resolution

HR 123, by Representatives Bronger, Heleringer, Blandford, Hines, Handy, and Perkins: A RESOLUTION honoring the University of Louisville championship basketball team.

Announcements

A meeting of the Central Kentucky caucus was announced for fifteen minutes after adjournment, Room 20.

Adjournment

Representative LeMaster moved that the House adjourn until 10:00 a.m., Wednesday, April 14, 1982.

On the roll call the vote was yeas 61-Allen, Arnold, Barrows, Bendl, Brinkley, Bronger, Brown, Burch, Caldwell, Clapp, Clark, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Harper, Head, Hines, Holbrook, Johnson, R. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, McBee, Meyer, Moberly, Morris, Nett, Noland, O'Brien, Pearman, Rapier, Richards, B. Richardson, Riner, B. Smith, F. Smith, Stone, Thomas, Thomason, Todd, Turner, Van Horn, Williams, Worthington, Yates. Nays 19-Blevins, Boswell, Deskins, Endicott, Ford, Fryman, Guenthner, Haering, Handy, Heleringer, Holloway, Mann, Moore, Noe, Overstreet, Perkins, Petty, Robinson, Schmidt.

The motion to adjourn was adopted.

WEDNESDAY, APRIL 14, 1982

FIFTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Representative Joel Ellington.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives List and Yates.

Representative Brinkley moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of April 13, 1982, be dispensed with and the same approved. Agreed.

Introduction of Resolutions

HR 124, by Representative Nett: A RESOLUTION commending the University of Louisville Debate Squad.

HR 125, by Representative Nett: A RESOLUTION commending the University of Louisville for its services in and contributions to the field of Public Law.

HR 126, by Representative Little: A RESOLUTION honoring Todd May, Kentucky's Mr. Basketball for 1982.

HR 127, by Representatives Haering and Dawahare: A RESOLUTION honoring Mother Teresa of Calcutta.

Motions, Petitions and Communications

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Nett moved the adoption of the following **HR 124:**

HR 124, A RESOLUTION commending the University of Louisville Debate Squad.

WHEREAS, the Sutherland Debate Team of the University of Louisville Debate Squad has won the National Debate Tournament against such outstanding contestants as Baylor, Dartmouth, and the University of Kentucky, bringing fame to the University of Louisville and the Commonwealth of Kentucky; and

WHEREAS, it is important to the conduct of the public affairs of this state that this intellectual accomplishment be recognized and applauded for its significance to the basic purposes of higher education in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body takes pride in the accomplishments of the University of Louisville Debate Squad in having won the 1982 National Championship and hereby commends the Coach, Dr. Thomas Hynes, Jr.; the debating champions, Dan and Dave Sutherland, and the whole squad for their monumental effort and their demonstration of superiority in this most traditional forensic challenge.

Section 2. That copies of this resolution be forwarded by the Clerk of the House of Representatives of the General Assembly of the Commonwealth of Kentucky to the President of the University of Louisville, the Coach of the Squad and the members of the winning team.

HR 124 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Little moved the adoption of the following **HR 126:**

HR 126, A RESOLUTION honoring Todd May, Kentucky's Mr. Basketball for 1982.

WHEREAS, Todd May has gained recognition throughout the Commonwealth and the region as an outstanding young basketball player; and

WHEREAS, Todd May has led the Virgie Eagles to the Kentucky High School Boys State Tournament for two consecutive seasons; and

WHEREAS, Todd May, in his senior year, averaged 31 points, 19 rebounds, and 6 rejected shots per game; and

WHEREAS, Todd May was named the Sweet Sixteen's most valuable player for the 1982 State Tournament, in addition to being selected Kentucky's Mr. Basketball for 1982; and

WHEREAS, Todd May, through these achievements has become a source of great pride for his school and community, and basketball fans across the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives commends and honors Todd May for his athletic achievements.

Section 2. That the House of Representatives extends its best wishes to Todd May for continued success in his college career.

Section 3. That when the House of Representatives adjourns on Wednesday, April 14, 1982, it does so in honor of Kentucky's Mr. Basketball, Todd May.

Section 4. That the Clerk of the House of Representatives be directed to transmit a copy of this resolution to Todd May and Virgie High School.

HR 126 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Haering moved the adoption of the following **HR 127:**

HR 127, A RESOLUTION honoring Mother Teresa of Calcutta.

WHEREAS, Agnes Gonxha Bojaxhiu, known to the world as Mother Teresa, is one of the most admired women in the world; and

WHEREAS, the message of Mother Teresa's life's work has been to "love everybody, one at a time"; and

WHEREAS, she has given wholehearted service to the "poorest of the poor"; and

WHEREAS, she founded in 1950 the Congregation of the Missionaries of Charity, to serve "the poor around the world"; and

WHEREAS, her many honors include the Pope John XXIII Peace Prize (1971), the Templeton Foundation Prize for Religion (1973), an honorary doctorate of divinity from Cambridge University (1977), and the 1979 Nobel Peace Prize; and

WHEREAS, Kentucky's Bellarmine College named her the 1981 recipient of the Bellarmine Medal; and

WHEREAS, her latest mission will open this summer in Jenkins, Kentucky, in Letcher County;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House does express its admiration and appreciation of the charitable work of Mother Teresa.

Section 2. That when the House adjourns on Wednesday, April 14, 1982, it does so in tribute to Mother Teresa.

HR 127 was adopted by voice vote.

Representative Ford moved the adoption of the following Legislative Citation No. 125. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates Geneva and Robert Gentry, Mt. Vernon, Kentucky, on this illustrious occasion, your Golden Wedding Anniversary, April 4, 1982. God in His infinite wisdom blessed our universe with "you" the finest and most beautiful lives to be loved and cherished perpetually. Your years have been fruitful years of love sharing both joys and sorrows, and God inspiring, that make this day a grand and glorious occasion. God blessed you with his priceless gift of love—your lovely and devoted children. May your love continue to blossom into a life of beauty and your home a castle of joy and delight. May God continue to bless you and family with tender ties of love and happiness. May you begin together another blissful year with beautiful memories ever to behold. May love abide in your hearts forevermore. This body extends to you and family our very best wishes for lasting love, health and happiness. (Sponsored by Representative Ford)

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Rejected.

Representative LeMaster moved that the rules be suspended for Introduction of Resolutions. Agreed.

Introduction of Resolutions

HR 128, by Representative B. Richardson and Foster: A RESOLUTION honoring Mrs. J. T. (Allie Mae Beauchamp) Linton for her outstanding service to the legislature as a member of the House of Representatives and as Clerk of the Senate.

HR 129, by Representatives Mann and Donnermeyer: A RESOLUTION requesting congressional action to continue postsecondary education social security benefits.

Representative LeMaster moved that the rules be suspended to act upon **HR 128.** Agreed.

Representative LeMaster moved the adoption of the following **HR 128:**

HR 128, A RESOLUTION honoring Mrs. J. T. (Allie Mae Beauchamp) Linton for her outstanding service to the legislature as a member of the House of Representatives and as Clerk of the Senate.

WHEREAS, Mrs. J. T. Linton died on March 31, 1982 in Logan County, the county of her birth at the age of 95 years; and

WHEREAS, she and her late brother, Emerson "Doc" Beauchamp, were members of a distinguished and influential Democratic family in southern Kentucky; and

WHEREAS, she was the widow of the Honorable J. T. Linton who served Logan County for sixteen years as County Judge; and

WHEREAS, Mrs. Linton was appointed to the House of Representatives in 1949 and subsequently elected for two terms and later served as Clerk of the Senate; and

WHEREAS, she was an independent, intelligent, and able woman who served her party and her state conscientiously and with grace for many years;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Mrs. Allie Mae Beauchamp Linton is hereby commemorated for her services to this body and to the Commonwealth of Kentucky.

Section 2. That when the House of Representatives adjourns on Wednesday, April 14, 1982, it does so in honor of Mrs. Allie Mae Beauchamp Linton.

Section 3. That the Clerk of the House of Representatives shall deliver a copy of this resolution to her daughter, Lucy Linton Locke.

HR 128 was adopted by voice vote.

Representative Barrows moved that he be recorded as voting "nay" on **SB 293.** Agreed.

Announcements

A meeting of the Committee on Transportation was announced on adjournment in Room 316.

Speaker Richardson expressed the opinion that the veto by the Governor of **SB 103** is invalid. He requested that his opinion be spread upon the Journal.

Adjournment

Representative LeMaster moved that the House adjourn until 10 a.m., Thursday, April 15, 1982.

On the roll call the vote was yeas 68-Allen, Arnold, Barrows, Bendl, Bennett, Boswell, Brinkley, Burch, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Farrow, Foster, Freibert, Fryman, Haering, Head, Hines, Holbrook, Johnson, R. Jones, T. Jones, Kenton, Layman, Lefevers, LeMaster, Little, Long, Lundergan, McBee, Meyer, Moberly, Morris, Nett, Noe, Noland, O'Brien, Patrick, Petty, Priddy, Rapier, Rattliff, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Thomas, Thomason, Turner, Van Horn, White, Williams, Worthington. Nays 19-Blandford, Bronger, Deskins, Endicott, Ford, Guenthner, Hancock, Handy, Heleringer, Holloway, Lile, Maggard, Mann, Moore, Overstreet, Pearman, Perkins, Schmidt, Todd.

The motion to adjourn was adopted.

THURSDAY, APRIL 15, 1982

SIXTIETH LEGISLATIVE DAY

The House was called to order by Speaker Richardson.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All present except Representatives Gray and Yates.

Representative Overstreet moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Brinkley moved that the reading of the Journal of April 14, 1982, be dispensed with and the same approved. Agreed.

Senate Message

The following message was received in regard to **SJR 41:** The Senate has overridden the Governor's veto on **SJR 41** and would like to be informed of this Honorable Body's veto standing on the resolution.

The following message was received in regard to **SB 103:** The Senate has overridden the Governor's veto on **SB 103** and would like to be informed of this Honorable Body's veto standing on the bill.

The following message was received in regard to **SB 135:** The Senate has overridden the Governor's veto on **SB 135** and would like to be informed of this Honorable Body's veto standing on the bill.

HB 206 returned with the following message: The Senate has voted to pass **HB 206,** the objections of the Governor notwithstanding, and is respectfully returning same to this Honorable Body.

HB 413 returned with the following message: The Senate has voted to pass **HB 413,** the objections of the Governor notwithstanding, and is respectfully returning same to this Honorable Body.

HB 648 returned with the following message: The Senate has voted to pass **HB 648,** the objections of the Governor notwithstanding, and is respectfully returning same to this Honorable Body.

HB 681 returned with the following message: The Senate has voted to pass **HB 681,** the objections of the Governor notwithstanding, and is respectfully returning same to this Honorable Body.

Introduction of Resolutions

HR 130, by Representative LeMaster: A RESOLUTION honoring Bernard "Skeeter" Johnson.

HR 131, by Representatives Hancock and Barrows: A RESOLUTION honoring Ms. Connie Goins.

HR 132, by Representatives Cyrus and Bennett: A RESOLUTION adjourning the House of Representatives in honor and memory of James Rhyman Gray.

Recess

Representative LeMaster moved that the House recess for fifteen minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day

Representative LeMaster moved that **SB 103** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **SB 103** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution I hereby veto Senate Bill 103. I recognize that it is necessary from time to time to increase the compensation package for members of the General Assembly. This is necessary so that we can retain legislators who must continually weigh the financial sacrifices legislative service requires and to attract future candidates for legislative office.

This bill, however, has the effect of reducing compensation for future service. It provides an increase in retirement benefits based upon past service. I do not argue with the point that the legislature may have been underpaid in the past, I do not feel we should correct past pay inequities in this fashion.

Signed: John Y. Brown, Jr.
Governor
4/12/81

Representative LeMaster moved that **SB 103** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 53-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Clapp, Cline, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Foster, Fryman, Guenthner, Handy, Harper, Head, Hines, Holloway, R. Jones, T. Jones, Kenton, Kidd, Layman, LeMaster, Little, Long, Mann, McBee, Moore, Morris, Noe, Perkins, Petty, Priddy, Rapier, B. Richardson, Robinson, Schmidt, F. Smith, Stone, Stumbo, Thomas, Thomason, Van Horn, White, Williams. Nays 38-Allen, Arnold, Barrows, Burnette, Caldwell, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Ellington, Endicott, Farrow, Ford, Freibert, Haering, Hancock, Heleringer, Holbrook, Lefevers, Lile, List, Lundergan, Maggard, McNutt, Meyer, Moberly, Nett, O'Brien, Pearman, Rattliff, Richards, B. Smith, Tobin, Todd, Turner, Worthington.

SB 103 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **SB 103** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 206, HB 413, HB 648,** and **HB 681** had been examined and found correctly enrolled. **HB 206, HB 413, HB 648,** and **HB 681** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:12 a.m.)

HB 206, HB 413, HB 648, and **HB 681** delivered to the Senate, signed by President. Ordered delivered to the Secretary of State.

Orders of the Day (continued)

Representative LeMaster moved that **SB 135** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **SB 135** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution I hereby veto Senate Bill 135. This bill would, effective immediately, vest in the interim committee system absolute veto authority over administrative regulations adopted by agencies within the executive branch. In my opinion the legislature does not have such power when they are not in session. Although I have agreed to litigate this issue prior to the

1984 regular session I am still compelled to veto this bill because it has a provision, attached by the House, which provides that, were the executive branch to prevail in that litigation and this bill be held to be unconstitutional, the authority to adopt administrative regulations would cease. This authority is absolutely essential to implementing much of the legislation that the general assembly passes and the withdrawing of this authority would render much of the legislation passed by the legislature meaningless.

signed: John Y. Brown, Jr.
Governor
4/1/82

Representative LeMaster moved that **SB 135** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 86-Allen, Arnold, Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cline, Cowan, Crupper, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Hancock, Handy, Head, Heleringer, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Maggard, Mann, McBee, Meyer, Moberly, Moore, Morris, Nett, Noe, O'Brien, Overstreet, Perkins, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Robinson, Schmidt, Seum, B. Smith, F. Smith, Stumbo, Thomas, Thomason, Turner, Van Horn, White, Williams, Worthington. Nays 5-Craddock, Haering, McNutt, Pearman, Tobin.

SB 135 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **SB 135** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative LeMaster moved that **SJR 41** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

The Governor's veto message on **SJR 41** is as follows:

By the authority vested in me by Section 88 of the Kentucky Constitution I hereby veto Senate Joint Resolution 41. This resolution directs the Department of Transportation to convey certain land in Perry County to the City of Hazard at no cost. This property is appraised currently at $1.25 million. The Department has offered the property to the City of Hazard for its appraised value, the normal procedure for disposing of surplus state property to governmental subdivisions. Perry County is expected to receive in the next fiscal year over $800,000 in state mineral taxes under the state's revenue sharing program for those taxes.

The Department of Transportation has sold millions of dollars of surplus property to help cover the revenue shortfall of the Commonwealth. With this Resolution it would be impossible to continue disposing of surplus property. The value of this property is $1.25 million. This measure is not in the best interest of the state. As Governor, I do not feel I can give away the assets of the Commonwealth.

signed: John Y. Brown, Jr.
Governor
4/1/82

Representative LeMaster moved that **SJR 41** be placed on passage, the Governor's veto notwithstanding.

On the roll call the vote was yeas 59-Bendl, Bennett, Blandford, Blevins, Boswell, Brinkley, Bronger, Brown, Bruce, Burch, Burnette, Clapp, Clark, Cowan, Curd, Cyrus, Dawahare, Deskins, Donnermeyer, Dunn, Endicott, Foster, Harper, Head, Heleringer, Hines, Holbrook, Holloway, R. Jones, Kenton, Kidd, Lefevers, LeMaster, List, Little, Lundergan, Maggard, McBee, Meyer, Moberly, Moore, Morris, Noe, Overstreet, Perkins, Petty, Rapier, Richards, Robinson, Seum, B. Smith, Stone, Stumbo, Thomason, Tobin, Van Horn, White, Williams, Worthington. Nays 24-Allen, Barrows, Caldwell, Clarke, Craddock, Crupper, Ellington, Farrow, Ford, Freibert, Fryman, Guenthner, Haering, Layman, Lile, Long, McNutt, Nett, O'Brien, Pearman, Rattliff, P. Richardson, Schmidt, Turner.

SJR 41 was passed over the Governor's veto.

Representative LeMaster moved that the vote by which **SJR 41** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SCR 98.**

HB 756 returned with the following message: The Senate has voted to pass **HB 756,** the objections of the Governor notwithstanding, and is respectfully returning same to this Honorable Body.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 756, SJR 41, SB 103,** and **SB 135** had been examined and found correctly enrolled. **HB 756, SJR 41, SB 103,** and **SB 135** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 756 delivered to the Senate, signed by President. Ordered delivered to the Secretary of State.

Motions, Petitions and Communications

Representative Nett moved that the rules be suspended to act upon Resolutions and Legislative Citations. Agreed.

Representative Nett moved the adoption of the following **HR 125:**

HR 125, A RESOLUTION commending the University of Louisville for its services in and contributions to the field of Public Law.

WHEREAS, in 1963 the University of Louisville, acting in concert with Jefferson County and the City of Louisville, did establish the Government Law Center as a public service agency for the purpose of providing research and other forms of legal assistance in the analysis, preparation and dissemination of governmental law in its many forms; and

WHEREAS, for almost a generation, the Government Law Center, with the participation of faculty and students, has provided a wide variety of informational, governmental, legal and technical assistance to the city, county, regional and state levels of government, and to community and regional agencies and groups in a manner that has been responsive to the public activities of those groups, for the enhancement of legislative and governmental processes in this region; and

WHEREAS, during the 1982 Session, the Government Law Center has assisted members of this Assembly with analysis of legislative proposals, with the arrangements for and operation of a communications link between the citizens of Jefferson County and their elected representatives, and with the preparation, publication and distribution of a weekly newsletter reporting on legislative activities of significance to the urban areas of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the University of Louisville be and hereby is commended for the establishment and support of the Government Law Center and its many contributions to the development of Public Law and toward enchancing the role of Public Law in the public affairs of the region and of the Commonwealth.

Section 2. That an appropriate citation be prepared expressing appreciation to the Government Law Center for its twenty years of service in legislative, governmental and public law, taking special note of the weekly legislative newsletter, *In The Hopper*, and the communications link provided during the 1982 Session of this Assembly.

Section 3. That the citation be presented to the staff of the Government Law Center on the 60th legislative day of Session and that copies of this resolution be forwarded by the Clerk of the House of Representatives of the General Assembly of the Commonwealth of Kentucky to the President of the University of Louisville.

HR 125 was adopted by voice vote.

Representative Nett moved the adoption of the following Legislative Citation No. 126. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and commends the Director and Staff of the University of Louisville Government Law Center, now in its twentieth year of public service, for outstanding services to members of this honorable body. The members of this body appreciate the tireless efforts of this dedicated group of faculty and students in analyzing and summarizing legislation and making it more easily understood by those of us charged with the responsibility of considering and acting upon it. Especially commended in this 1982 Session is the addition of the weekly newsletter entitled, "In The Hopper," and arrangements for and operation of a communications link between the citizens of Jefferson County and their elected representatives during the Session. These services have made it possible for those who have benefitted from their services to better carry out our duties as elected representatives of the people and for this we owe and do hereby extend to them our gratitude and hope that in future years this valuable service may be extended to every member of the General Assembly. (Sponsored by Representative Nett)

Representative Lile moved the adoption of the following Legislative Citation No. 127. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the 1981-82 Valley High School Boys' Basketball Team and your coaching staff: Fred Copass, head coach, Dennis Short and Glenn Collie, assistants. Your season was distinguished by progressive improvements that led to the Sixth District Championship and advancing to the final four of the State Championship. We salute you for your hard work and competitive spirit and extend best wishes to your graduating seniors: Joey Wilson, Johnny Lawson, Jim Duffy, Kenny Dinkins and Jeff Pence. This prestigious body applauds you as you have bestowed honor on your school, community and the Commonwealth of Kentucky. (Sponsored by Representative Lile)

Special awards were presented to members by Representative Turner on behalf of the Republican caucus.

Representative Mann moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Mann moved the adoption of the following **HR 129**:

HR 129, A RESOLUTION requesting congressional action to continue postsecondary education social security benefits.

WHEREAS, thousands of Kentuckians are eligible for social security postsecondary educational benefits; and

WHEREAS, disabled and deceased parents of these Kentuckians have contributed to the social security system over the years with the expectation that their children would be eligible for benefits while attending college or other postsecondary schooling; and

WHEREAS, these Kentucky students and parents are entitled to these benefits; and

WHEREAS, these benefits for postsecondary students are to be phased out over a three-year period beginning July 1982 and ending April 1985; and

WHEREAS, eligible youngsters must be enrolled as full-time postsecondary students prior to May 1, 1982, or face the total loss of eligibility; and

WHEREAS, this pending action was not properly transmitted to eligible Kentuckians; and

WHEREAS, this ruling was adopted with limited consideration by the Congress of the United States in the Omnibus Budget Reconciliation Act of 1981 in which no amendments were allowed and only one vote was taken.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of the Kentucky House of Representatives urge the Congress of the United States to restore social security benefits to all eligible postsecondary students and those youngsters soon to be eligible.

Section 2. That Kentucky's Congressmen and Senators are hereby urged to take all necessary action to restore social security postsecondary educational benefits to eligible Kentuckians.

Section 3. That the Clerk of the House is directed to send a copy of this resolution to each member of Kentucky's Congressional delegation.

HR 129 was adopted by voice vote.

Representative Williams moved the adoption of the following Legislative Citation No. 129. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates you, the distinguished and renowned poet, Nikki Giovanni of Cincinnati, Ohio for your great contribution to mankind. As a celebrated author you have touched the lives of millions with fond admiration. As the Princess of Black Poetry your inspiration will reverberate throughout our world. God has endowed you with extraordinary talent and ability. We are the great beneficiaries of this grand and glorious accomplishments. Your multiple awards including Doctorate of Humanities are result of your perserverance, dedication and hard work. As an editorial consultant mankind has been elevated to great heights. Your book "MY HOUSE" is incredible in its challenge to all people. Your extraordinary performances and poetic genius are recognized with high acclaim. This prestigious body is very proud of you and extends to you our very best wishes in your illustrious presentation at Morehead State University, April 24, 1982. (Sponsored by Representative Williams)

Representative Cyrus moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Cyrus moved the adoption of the following **HR 132:**

HR 132, A RESOLUTION adjourning the House of Representatives in honor and memory of James Rhyman Gray.

In an expression of sympathy, we pay homage to the father of our fellow legislator Representative J. R. Gray.

WHEREAS, James Rhyman Gray, born on August 22, 1900 in Trigg County, was a lifelong resident of Eddyville in Lyon County; and

WHEREAS, James Rhyman Gray was self-employed as a retired farmer; and

WHEREAS, James Rhyman Gray was devoted to his family and held the respect of his neighbors in the community; and

WHEREAS, James Rhyman Gray was a faithful member in good standing for many years of the Bethany Baptist Church; and

WHEREAS, James Rhyman Gray will be remembered for his kindness and generosity and will be sadly missed by his family and friends;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives expresses its sincere sense of bereavement upon the loss of James Rhyman Gray and extends its thoughts and prayers to his loved ones during this period of grief and sorrow.

Section 2. That when the House of Representatives does adjourn this day, April 15, 1982, it does so in honor and memory of James Rhyman Gray.

Section 3. That the clerk of the House is directed to transmit a copy of this resolution to the family of James Rhyman Gray.

HR 132 was adopted by voice vote.

Representative Hancock moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Hancock moved the adoption of the following **HR 131:**

HR 131, A RESOLUTION honoring Ms. Connie Goins.

WHEREAS, star basketball player Connie Goins helped lead the Western Hills Lady Wolverines to an outstanding 25-7 season record; and

WHEREAS, Connie Goins' senior year average of 26.3 points and 13.3 rebounds per game set an all-time record, and her career total of 2928 points meant an average of 22.4 points per game over four years; and

WHEREAS, Kentucky's high school coaches named Connie Goins Kentucky's "Miss Basketball"; and

WHEREAS, her stellar talents won her the honor of wearing Kentucky jersey No. 1 in the Kentucky-Indiana All Star game; and

WHEREAS, Connie Goins is also to be admired for her fine character and her straight-A academic performance;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives takes pride and pleasure in praising Ms. Connie Goins for her outstanding athletic and academic achievements.

Section 2. That the Clerk of the House is directed to send a copy of this resolution to Ms. Connie Goins.

HR 131 was adopted by voice vote.

Representative O'Brien moved the adoption of the following Legislative Citation No. 133. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Bill Bailey known and loved by thousands as "The Duke of Louisville" who is without question "Morning Radio" in Louisville. During your twenty years in Louisville radio, your independent and outspoken manner has caused you to be recognized as "The Voice of Radio Free Louisville" by those dissatisfied with Louisville's news media monopoly. Your "Come on, you can do it" style of Americanism is a source of inspiration to all of your radio audience and a positive influence in your community. This prestigious body extends to you our best wishes in your future endeavors. (Sponsored by Representative O'Brien)

Representative Riner moved the adoption of the following Legislative Citations Nos. 130, 131, and 132. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends Lech Walesa for your outstanding leadership and direction of the Polish Solidarity labor movement which has inspired the Polish People in captivity and become a symbol to the nations that communist oppression can never extinguish the flame of freedom in the hearts of a people who recognize God, not the state as the only true sovereign. This prestigious body extends to you our very best wishes. (Sponsored by Representative Riner)

The House of Representatives of the Commonwealth of Kentucky hereby recognizes James T. Robertson founder and president of the Louisville Christian Civic League for over thirty years of outstanding leadership in advancing Christian principles in our courts and in every phase of government life. This prestigious body extends to you our best wishes. (Sponsored by Representative Riner)

The House of Representatives of the Commonwealth of Kentucky hereby commends Dr. N. Burnett Magruder, founder and Executive Director of the Christian Heritage Center for nearly twenty years of outstanding work dedicated to recovering the faith of Early America through upholding the sovereignty and rule of Christ in every phase of American life. This prestigious body extends to you our very best wishes. (Sponsored by Representative Riner)

Representative Arnold moved the adoption of the following Legislative Citation No. 128. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates you, Miss Beulah Hughes for your indispensable contribution to Carlisle, Kentucky as Circuit Clerk for thirty-six years. You have served with great distinction and justifiable pride during your successful administration. Certainly, we applaud you for your excellent leadership during the consolidation of the city and county courts into one district court. You have distinguished yourself in the high calling of public service that is most apparent. Your services are symbolized with perseverance and profound concern for others. Carlisle Methodist Church, the community and Commonwealth of Kentucky are very proud of you and recognize with sincere appreciation your services. May retirement years be blessed with God's goodness, health and happiness. This prestigious body salutes you and extends to you our best wishes. (Sponsored by Representative Arnold)

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative LeMaster moved the adoption of the following **HR 130:**

HR 130, A RESOLUTION honoring Bernard "Skeeter" Johnson.

WHEREAS, Skeeter Johnson has conscientiously served at the University of Kentucky for thirty-six years; and

WHEREAS, beginning as an instructor in the Department of Health, Physical Education and Recreation in 1946, Skeeter Johnson advanced to Director of Campus Recreation where he has performed in a superior manner since 1969; and

WHEREAS, the challenging influence of Skeeter Johnson has been spread throughout the world by the thousands of students who have benefited from his guidance and concern; and

WHEREAS, the students, the parents, the University, the community, and the entire state will profoundly feel the loss of the services of this outstanding teacher upon his retirement;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Bernard "Skeeter" Johnson be commended for his many years of unselfish service to the citizens of the Commonwealth of Kentucky.

Section 2. That a copy of this resolution be presented to Bernard "Skeeter" Johnson.

HR 130 was adopted by voice vote.

Representative Boswell moved that the rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Boswell moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions: Representative Hancock, **HB 681;** Representative Riner, **HB 149.**

Representative Hines moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Bronger moved the adoption of the following **HR 123:**

HR 123, A RESOLUTION honoring the University of Louisville championship basketball team.

WHEREAS, THE University of Louisville Cardinals basketball team ventured into the deep south for a tough campaign in the 1982 NCAA basketball tournament; and

WHEREAS, the Cardinals brought back to Kentucky the champion's trophy of the Mideast Regional tournament; and

WHEREAS, the Cardinals battled among the Final Four and again demonstrated to the country that Kentucky is the basketball capital of the United States;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives of the General Assembly of the Commonwealth of Kentucky does adjourn Tuesday, April 13, in honor of the 1982 champions of the NCAA Mideast Regional Basketball Tournament, the University of Louisville Cardinals.

Section 2. That the Clerk of the House of Representatives of the General Assembly of the Commonwealth of Kentucky is directed to send a copy of this resolution to the Athletic Office of the University of Louisville.

HR 123 was adopted by voice vote.

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative LeMaster moved the adoption of the following **SCR 98:**

SCR 98, A CONCURRENT RESOLUTION to adjourn the 1982 Regular Session of the General Assembly *sine die.*

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That when the Senate and the House of Representatives adjourn on Thursday, April 15, 1982, they do adjourn *sine die.*

SCR 98 was adopted by voice vote.

Representative LeMaster moved that the reading of the Journal of this day, April 15, 1982, be dispensed with and the same approved. Agreed.

Representative LeMaster moved that the Journal of the House of Representatives for the 1982 Session be approved. Agreed.

Adjournment

Representative LeMaster moved that the House adjourn sine die.

On the roll call the vote was yeas 89-Allen, Arnold, Barrows, Bendl, Bennett, Blandford, Boswell, Brinkley, Bronger, Bruce, Burch, Burnette, Caldwell, Clapp, Clark, Clarke, Cowan, Craddock, Crupper, Curd, Cyrus, Dawahare, Donnermeyer, Dunn, Ellington, Endicott, Farrow, Ford, Foster, Freibert, Fryman, Guenthner, Haering, Hancock, Harper, Head, Hines, Holbrook, Holloway, Johnson, R. Jones, T. Jones, Kenton, Kidd, Layman, Lefevers, LeMaster, Lile, List, Little, Long, Lundergan, Mann, McBee, McNutt, Meyer, Moberly, Moore, Morris, Nett, Noe, Noland, O'Brien, Overstreet, Patrick, Pearman, Petty, Priddy, Rapier, Rattliff, Richards, B. Richardson, P. Richardson, Riner, Robinson, Seum, B. Smith, F. Smith, Stone, Stumbo, Thomas, Thomason, Tobin, Todd, Turner, Van Horn, White, Williams, Worthington. Nays 6-Blevins, Deskins, Handy, Maggard, Perkins, Schmidt.

The motion that the House adjourn sine die was adopted.

The Journal of the House of Representatives was read, compared and approved. The House adjourned sine die.

signed: Bobby H. Richardson
Approved: Bobby H. Richardson, Speaker
House of Representatives

signed: Evelyn Marston
Attest: Evelyn Marston, Chief Clerk
House of Representatives

HISTORY OF HOUSE BILLS

(Numbers refer to page of House Journal. The text of a bill is given on first reading.
Sponsors are indicated on the page of introduction.)
*Voting modifications appear at the member's name in the subject index.

		Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	1	14	29	582 1221	582	692	1883	2983	3248	3123	1883 3123	533 737 967 1743
HB	2	14	28									
HB	3	14	29									
HB	4	15	29									
HB	5	15	28									138 334
HB	6	15	28	2155	2155	2209	2375			2191	2375	303 2187 2305 2369
HB	7	15	28									47 147
HB	8	15	28									147
HB	9	15	29									35
HB	10	15	29									
HB	11	15	28									57 147
HB	12	15	28									
HB	13	15	28	457	457	515	692			458 695 751 772	784	231 543 692 745
HB	14	15	29	87	87	95	127	223	225	88	127	35
HB	15	15	29									35 125 302 364
HB	16	15	28									
HB	17	15	29									
HB	18	15	29									
HB	19	15	29	129	129	134	210	429	1009	850	210 850	95 110 178 195
HB	20	15	29	115	115	124	193	544	1009	116 117 852	193 852	36 154 523 3280
HB	21	15	29									
HB	22	15	28	138	138	147	209	368	391	139	209	35 154
HB	23	15	29									
HB	24	15	28	138	139	147	224	368	1009	141 170 195 211 222 849	224 849	35 110 178 523

		Introduced	Referred	Reported	Readings 1st	2nd	3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB	25	15	29									32 35 36 44 47 110 125 169 229
HB	26	15	29	115	117	124	148	768	3301	961 3217	148 3218	32 35 36 44 47 90 110 125 133 137 169 3125 3195 3196 3203 3217 3244 3280
HB	27	15	28									44 110 523
HB	28	15	28									
HB	29	15	28									
HB	30	16	28									
HB	31	16	29									
HB	32	16	29	384	384	424	543	1774	1880	386	543	97 99 501 3280
HB	33	16	29									523 1419 2733
HB	34	16	29	50 1776	50	89	2335	2979	3125	1776	2336	36 44 90 95 169 227 228 523 2207 2369
HB	35	16	29							32		43 252
HB	36	16	28									221 696
HB	37	16	29									549
HB	38	16	29	159	159	192	218	500	519		219	36 199
HB	39	16	29	159	160	192	219	786	1227	161 962 963 2191	219 963	36 199
HB	40	16	29	159	161	192	219	447	514		219	36 199

	Intro-duced	Re-ferred	Re-ported	Readings			Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 41	16	29	159 1221	161	192	1586				1586	36 231 666 1454
HB 42	16	29	159	162	192	249	2330	3248	3050	249 3050 3307	36 224 3306
HB 43	16	29	158 316	158	192	425			158 391	425	35 90 129 215 333 549
HB 44	16	29	231	231	300	330	447	514		330	91 307
HB 45	16	28	200	200	218	250	692	693		250	134 224
HB 46	16	28	200	200	218	317	2817	2924		317	134 272
HB 47	16	28	52	52	89						35 95 110
HB 48	16	28									
HB 49	16	28									
HB 50	16	29	407 1041	407	439	1505	2963	2964		1505	36 110 338 448 666 1346 3280
HB 51	17	28	163 2459	163	192	2706				2706	35 215 2247 2578
HB 52	17	29									
HB 53	17	29	87	88	95	112	223	1009	849	112 849	35 97 99 549
HB 54	17	29	196	196	209	300			270	300	95 215 302 318
HB 55	17	29									
HB 56	17	29									
HB 57	17	29									
HB 58	17	29									
HB 59	17	28	162	162	192	248	692	693	163 227 324	248 334	134 199 301 302 549
HB 60	17	28	66	66	95	134	340	364		135	43 124
HB 61	17	28	66	68	95	112	340	364		112	43 99
HB 62	17	28	66	68	95	135	500	519		135	43 124
HB 63	17	28	66	68	95	113	500	519		113	43 99
HB 64	17	28	66	73	95	113	525	1009	75 852	113 852	43 99 110

		Intro-duced	Re-ferred	Re-ported		Readings		Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	65	17	28	66	75	95	148	786	1227	963	148 964	43 133
HB	66	17	28	66	76	95	166	500	519		166	43 146
HB	67	17	28	66	76	95				125		43 99 110 125 166
HB	68	17	28	66	77	95	126	500	519		126	43 99
HB	69	17	28	66	77	95	425	768	1227	324 962	425 962	43 124
HB	70	17	28	66	77	95						43 133
HB	71	17	28	66	78	95	135	500	1009	851	135 851	43 124
HB	72	17	28	66	78	95	135	340	364		136	43 124
HB	73	18	28	66	78	95	148	500	519		148	43 133
HB	74	18	28	66	78	95	126	500	519		126	43 99
HB	75	18	28	66	79	95	126	525	528		126	43 99
HB	76	18	28	66	79	95	127	340	364		127	43 99
HB	77	18	28	66	80	95	149	500	3248	851 3204	149 3204	43 133 3125 3195 3196 3203 3211
HB	78	18	28	107	107	124	210	340	364	107 110	210	43 154
HB	79	18	28	66	81	95	127	340	364		127	43 99
HB	80	18	28	66	82	95	136			144 170	1072	43 124 136 965
HB	81	18	28	66	82	95						43 133
HB	82	18	29									110 147 210
HB	83	18	28	92	92	109	166	1401	3300	134 151 2342 2343	167 3250	48 146 2343 2701 3244 3245 3250 3277
HB	84	18	28	92	93	109	136	429	485		136	48 124 855
HB	85	18	28	92	93	109	137	429	485		137	48 124
HB	86	18	28	102	102	124	149	525	528		149	57 133 855

	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 87	18	28	102 369	104	124	515	2376	2383	369	516	57 110 178 430
HB 88	18	29	203	203	218	300	768	778	206 222	300	32 36 224 227 228 252 301 302
HB 89	18	29									
HB 90	18	29	1419	1420	1501	1701	2969	2978	1589	1701	1162 1553 3280
HB 91	18	29									36 90 195 316
HB 92	18	29	1148 2761	1150	1226				1152 2714 2761		746 1669 1914
HB 93	18	28									90 97 110 195 1713
HB 94	19	29									
HB 95	19	28	375	375	424	545	1774	1880	377 489	546	196 302 526 549
HB 96	19	29	115	119	124				144 170		95 200
HB 97	19	29	437	437	485	693	2378	2383	438 439 490 695 752	785	399 553 693 778
HB 98	19	29	407 1041	409	439	1405	2817	2924		1405	32 338 448 666 1221
HB 99	19	29	481	481	515	598			482	599	95 97 137 543
HB 100	19	29									3214
HB 101	19	29	189	189	209				190		109 231
HB 102	19	28									
HB 103	19	28	666	666	741	1073	2330	2330	666 853	1073	212 871
HB 104	19	28									221 1914
HB 105	19	29	700	700	741	845	2924	3248	772 3179	845 3180	95 97 758

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB	106	19	29	252 543 817	252	300	1159	2639	2964	261 543 787 853 1074 1075 2827	1160 2827	35 53 90 97 169 195 210 215 252 307 323 439 666 745 855 1010 1407
HB	107	19	28	351	351	387	485	1401	3248	391 3184	485 3184	134 430
HB	108	19	28									
HB	109	19	28									
HB	110	19	28	1553	1553	1696	1885	2817	2924	1555 1557	1885	48 329 1235 1743
HB	111	19	28	307	307	329	362	1667	1696		362	221 333
HB	112	19	28	123	123	134	192	1701	2934	124 170 195 2713	193 2713	48 97 137 146 169 195 323 3280
HB	113	19	28	57	57	95	128	870	1583	63 111 120 1231	128 1232	36 97 99 111
HB	114	19	28	102	105	124	149			144		57 133 150
HB	115	19	29									32 91 169
HB	116	19	28	624	624	692	785	2964	3248	625 772 3051	785 3052	32 493 758
HB	117	19	29									
HB	118	20	28	154	154	192	224	500	519		225	55 215
HB	119	20	28	341	341	387	516	1220	2583	345 391 2342	516 2342	55 448
HB	120	20	29	307	308	329	425	2330	2330		425	195 221 341
HB	121	20	29									32 35
HB	122	20	29									195 221 329
HB	123	20	29									35 228
HB	124	20	28							270		57

	Intro-duced	Re-ferred	Re-ported	Readings 1st	2nd	3rd	Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
HB 125	20	29	700	701	741				703		53 90 252 302 444 492 1010
HB 126	20	29									
HB 127	20	29									
HB 128	20	29	50	51	89	112	525	528	96 125	112 134	36 99 125
HB 129	20	29	392	393	424	544	2817	2924	445	544	221 501
HB 130	20	29									
HB 131	20	29									221
HB 132	20	29	281	281	317	387	1667	1696		387	221 341
HB 133	20	28	154 817	155	192	1156	2333	2340		1156	55 228 231 666 871 3280
HB 134	20	28									55 1713
HB 135	20	28	50	50	89						43 44 47 95 110
HB 136	20	28	66	86	95	150			125	150	43 133
HB 137	20	28									
HB 138	20	28									
HB 139	20	28	182	182	209	225	2639	2978	2826	225 2826	152 215 3214
HB 140	20	29	493	496	515	599	2703	2978	499 2824	599 2826	387 543
HB 141	20	29	189 1217	190	209	1882	2817	2924	191 1217 1408 1507 1514 1890	1882	90 109 210 272 605 1743
HB 142	20	28									125 549
HB 143	20	28	457 1133	459	515	1405	2214	2378	89 464 520 1137 2343	1405 2348	44 99 195 231 526 666 1221
HB 144	21	29	1419	1420	1501						125 210 857 1553 3214
HB 145	21	28									110
HB 146	21	29	1011	1027	1155	1505	2963	2964	1033	1505	533 1346

		Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	147	21	29	392	393	424	486	2924	3217	445 3051	486 3051	32 44 221 430
HB	148	21	29	700	703	741	846	2924	3217	708 773 3047	846 3048	97 444 522 758 1076 3280
HB	149	21	29	758	758	782	1155	2924	3217	759 760 3047	1155 3047	110 492 522 524 549 871 964 1076 3319
HB	150	21	28									
HB	151	21	31									493 1162
HB	152	21	31									99
HB	153	21	31	63 1721	63	95	2374			1721 2353	2374	46 146 212 2305
HB	154	21	31	87	88	95	113	2817	2924		114	35 99
HB	155	31	34									47 97 147 195 251 523 855 1161 1774
HB	156	31	35	1580	1580	1696	2214	2964	2978	1581	2215	364 1162 2000
HB	157	31	35									1713
HB	158	31	34	154	157	192	225	447	514	157	225	55 215
HB	159	31	35									35
HB	160	31	35	534	534	543	694	2817	2924	695 752	769	110 448 553 694 745
HB	161	31	34	373	373	424	544	1701	1759	374 428 520	544	46 227 501 1713
HB	162	32	34									
HB	163	32	34									
HB	164	32	35									1162
HB	165	32	35									
HB	166	32	35	231	232	300	426	2333	2964	233 2828	426 2828	196 341 443 3280
HB	167	32	35									36
HB	168	32	34									
HB	169	32	35									229
HB	170	32	35									

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	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 171	33	34	275	275	317	362	692	693	277	362	55 333
HB 172	33	34	820	820	956	1228	2333	2964	821 2816	1228 2816	55 1139
HB 173	33	34									
HB 174	33	35									95 195 229
HB 175	33	34	341	350	387	441	782	784		441	331 399
HB 176	33	34	1346	1347	1501	1883				1883	1079 1743
HB 177	33	35	315	315	329	363	1220	1227		363	252 333 523 855
HB 178	33	35	512	512	526	770			513	770	331 736
HB 179	33	35	231	233	300	440	1401	2964	234 303 2827	440 2828	95 147 341 443
HB 180	33	35									229 329
HB 181	34	43									44 48 53 90 125 147 3214 3280
HB 182	34	43									
HB 183	34	43	94	94	109	137	692	693		137	44 48 53 124 3214 3280
HB 184	34	43									169 212
HB 185	34	43									35
HB 186	34	43									
HB 187	34	43	157	157	192	301	736	1227	158 961	301 961	134 230
HB 188	34	43	907	907	1055	1227	2214	3256	3049	1227 3049	110 399 1139
HB 189	36	46									
HB 190	36	43									97 1235 3214
HB 191	36	43	379	379	424	486	2214	2330	379	486	329 430
HB 192	43	46									210
HB 193	43	46									99 367
HB 194	43	46	215	215	224	317			216 218 270 1419 1589 1910	318 2175	53 57 110 272 1597 1996 1997

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					Readings						
	Introduced	Referred	Reported	1st	2nd	3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB 195	44	46									169
HB 196	44	46	857	857	956	1157	2333	2340	860	1157	228 493 1010
HB 197	44	46	182	185	209	248	768	778		249	95 215 855
HB 198	46	49	185	185	209	249	692	693	227	249	99 215 3280
HB 199	47	49									99
HB 200	47	49	315	315	329	388	1138	2378	2341 2341	388 2341	252 341
HB 201	47	49									
HB 202	47	49									524
HB 203	47	49	375	377	424	526	1774	2924	378 2714	526 2714	99 501 549 3214
HB 204	47	49	383	383	424						229 543 2406
HB 205	47	49	158	159	192	219	525	528		220	129 199 3280
HB 206	47	49	235 1139	235	300	1503	2639	2706 3313	241 1139	1503 3303	147 212 252 328 523 666 1346 3280 3303 3312
HB 207	49	56	746	746	768				748		196 323 341 871
HB 208	49	56	700 1221	711	741	2180			711 712 1221 1232	2181	331 445 533 964 1010 1079 1867
HB 209	49	56									97 1914
HB 210	49	56	1011	1027	1155	1506	2817	2924		1506	533 1346 3214
HB 211	49	56									
HB 212	49	56	341	350	387	441	782	784		441	331 399
HB 213	54	56	1671	1672	1759	2184	2817	2924	1672	2184	1235 1867 3214
HB 214	54	56	208	208	218						125 147 230 301
HB 215	54	56	231	234	300	440	2333	3217	235 3050	440 3050	196 302 341 443 3214

	Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 216	54	56									195
HB 217	55	56									
HB 218	56	92									
HB 219	56	92	373	374	424	517				517	331 448
HB 220	56	92									1598
HB 221	56	92									138 399
HB 222	56	92	2364	2364	2373	2926			2364	2926	1526 2790
HB 223	56	92									790
HB 224	56	92									
HB 225	56	92									124 428
HB 226	91	92									
HB 227	91	92									134 169
HB 228	91	92	666	667	741	845	1667	1696		845	526 758
HB 229	92	101	1038	1038	1155	1763				1763	790 1669
HB 230	92	101	165 2260	165	192	2584			166 2260	2584	129 215 666 2372
HB 231	92	101	837	839	956	1157	2817	2924		1158	129 152 780 1010
HB 232	92	101	1500	1500	1581				1501		125 138 323 2207 2578
HB 233	92	101									196 758
HB 234	98	101									
HB 235	98	99	130	130	134	193	736	768	130 150 151	194	99 154
HB 236	98	101									
HB 237	98	102									399
HB 238	98	102									
HB 239	98	101	279	279	317	335	2333	2340		335	166 328
HB 240	98	101	1038	1038	1155	1698			1040 1589	1698	196 323 338 1454
HB 241	98	102									272
HB 242	98	101									367 696 1079 1713
HB 243	99	101	178	178	209	334	692	693	270	334	124 307
HB 244	99	101	309	309	329	388	2969	3248	309 3196	388 390 3196	212 341 390
HB 245	99	101	200	201	218	335	1401	1407	202 304	335	110 125 134 302 307

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	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 246	99	101	1669	1669	1759				1670		782 2305
HB 247	101	122	369	369	424	517	2376	2383		517	221 448
HB 248	101	122									134
HB 249	101	123									212 323
HB 250	101	122	185	186	209	226				226	138 215
HB 251	101	122	185	186	209	226	692	693		226	138 215
HB 252	101	122	185	187	209	226	1774	1880		226	138 215
HB 253	114	123	394	394	424	527	2817	2924	395	527	229 501 3280
HB 254	114	123									
HB 255	114	123									
HB 256	114	122									
HB 257	114	123	407 2459	410	439				410 2459		338 448 666 2937
HB 258	114	122	202	202	218	250	447	1009	850	258 850	169 224
HB 259	114	123									439
HB 260	114	122	399	399	439						252 317 553 1581
HB 261	114	123									212
HB 262	114	122	279	279	317	335				335	125 212 328 3214
HB 263	114	122									
HB 264	114	122	1346	1347	1501	2213			1349 2220 2353 2384 2610	2703	147 303 2000 2213 2609
HB 265	114	122									1713
HB 266	115	123									195
HB 267	115	123	1440	1440	1501				1440		125 210 533 696 1162 1669
HB 268	115	123									1162
HB 269	115	122	352 1221	353	387	1700	2333	2340	1516 1590	1700	215 228 337 448 666 1553
HB 270	115	123									195 212 445
HB 271	115	123									
HB 272	115	123	2188	2188	2209				150 2189 2199		229 790 1235 2409

	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 273	115	122	272	272	317	336	768	778		336	212 328
HB 274	115	122									195
HB 275	115	123	688	688	741				211 689		252 387 523 549 1010
HB 276	115	122	272	272	317	388	2214	2330	273	388	212 341
HB 277	115	123	1419	1421	1501						1162 2000
HB 278	115	123									331 445 1162
HB 279	115	123	1438	1438	1501				1439		1162 1669
HB 280	115	122	399	400	439	527			490 549 551 752 773 965 1160 1408		317 501 528 855 2931
HB 281	115	123	968	970	1055	1228	2817	2924		1228	331 1139
HB 282	115	122	1688	1688	1759	2581			1691	2581	526 2372
HB 283	115	122	369	370	424						196 448
HB 284	122	133	272	273	317				392		212 369 485
HB 285	122	133									252 303
HB 286	122	133									147
HB 287	128	133									
HB 288	128	133	202	202	218	301	525	528		301	169 230
HB 289	128	133	1419	1427	1501	1764	2963	2964		1764	1162 1669
HB 290	129	133	760	760	782	1401	2639	2964	1074 2823	1401 2824	605 1010
HB 291	133	146									492
HB 292	133	146									147
HB 293	133	146	1011	1012	1155	1584			1013 1702 1769 1770	1584	137 533 1221 1712 2175
HB 294	133	146	284	284	317	329	429	485	284 324 325 326 327	330	152 323
HB 295	138	146	2113 2409	2113	2209	2698	3048	3301	1893 2349 2409 2610 2631 2714 3128 3178 3179 3281	2699 3300	1773 2305 2578 3211 3245 3301

	Introduced	Referred	Reported	Readings 1st	2nd	3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB 296	138	146	341	350	387	486	2330	2964	351 2816	487 2816	212 430
HB 297	138	146									212 228 758
HB 298	138	146	351	352	387	487	1010	2340	352 2186	487 2186	169 195 251 252 302 303 331 337 364 430 549
HB 299	138	154	309	309	329	389	692	693	338 365	390	195 212 220 306 341
HB 300	146	154									3214
HB 301	152	154	627	627	692	786	2639	2978	645 752 2822	786 2822	399 758 789
HB 302	152	154	2042	2042	2209	2584			2042	2584	1526 2305
HB 303	152	154									745
HB 304	152	154	369	371	424	516			371 446 490	516	196 430
HB 305	152	154	316	316	329	363	692	693	339	363	212 333
HB 306	153	178	369	372	424	487	1774	1880		487	221
HB 307	153	178									430
HB 308	153	178	407	411	439	517	1405	3277	2710 3247	517 2711 3248	210 338 448 2713 2819 3125 3195 3196 3203 3211 3255
HB 309	153	178									228
HB 310	154	178									
HB 311	154	178	820	822	956	1504	2639	2964	829 1408 2823	1504 2823	758 1346 1525
HB 312	154	178	595	595	692	844			853 1075 1160	1402	399 758 844 965 1155 1161
HB 313	154	178	474	475	515	843			475 787	844	221 736
HB 314	154	178	903	903	1055	1403	2376	2383	905 2349	1403	780 1221
HB 315	154	178	436	436	485	544	2964	3256	532 3055	545 3056	228 251 329 501

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	Intro-duced	Re-ferred	Re-ported	Readings			Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 316	154	178									
HB 317	154	178									
HB 318	154	178									1598
HB 319	169	178	394	395	424	488	2924	3217	396 520 3018	526 3018	221 430 488 522 3280
HB 320	169	178	1387	1387	1501	2330	2964	3217	1409 2234 3097	2330 3097	169 170 210 220 746 2000
HB 321	169	178	684	684	741				684		533 782
HB 322	169	178	375	378	424	488	786	843	379	488	221 430
HB 323	177	199	534	536	543	770	1774	1880	537	770	428 736
HB 324	177	199	534	537	543	770	1867	1880	539	770	448 736
HB 325	177	199	831	831	956	1226	1774	2934	832 2711	1226 2712	605 1139
HB 326	177	214	457	471	515	784	2817	2924		784	331 736 789
HB 327	177	199									212
HB 328	177	199	379	380	424	488	2333	2340		488	227 329 430
HB 329	177	199	379	381	424	518				518	227 329 448
HB 330	177	199	2057	2057	2209	2375	2979	3217	2061 3096	2375 3096	252 323 439 2305
HB 331	177	199									252 323 439 696
HB 332	177	199	430	430	485	546	1401	1407		546	399 526
HB 333	177	199									212 252 331
HB 334	177	199	272	273	317	515	2330	2964	391 490 2818	515 2818	221 364 369
HB 335	177	199	379	382	424	489	782	784		489	329 430
HB 336	195	199	231	231	300	387	2924	3300	366 3019	387 3019 3256	212 333 443
HB 337	195	199									
HB 338	195	199	666	667	741				211		221 331 493 758

		Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	339	195	199	352	353	387	489	2209	2934	360 491 521 522 532 2712	531 2712	195 210 331 430 489 492 522
HB	340	196	199	369	372	424	518			372	518	221 448
HB	341	196	199									
HB	342	196	199	319 424	319	329	782	1701	2378	321 446 753 774 2218	783 2219	212 333 367 553
HB	343	196	199									
HB	344	196	199									215 323 1419
HB	345	196	199	1011	1013	1155	1697	2924	3217	1232 1233 1410 1521 1590 2991	1697 2992	252 1221
HB	346	196	199	1168	1168	1226	1699	2639	2706	1414	1700	746 1553
HB	347	199	214									428
HB	348	199	215									
HB	349	211	214									
HB	350	211	214	341	351	387	442	782	784		442	331 399
HB	351	212	215									967
HB	352	212	215									
HB	353	212	215									227 252 323 1713
HB	354	212	215									252 448
HB	355	212	215	1011	1018	1155	1699				1699	252 1553

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		Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	356	212	215									227 252 367 397
HB	357	212	214	399	401	439	518	1138	2583	2341	518 2341	317 448
HB	358	212	215	481	484	515	743	2214	2330	485	743	399 666 2369
HB	359	212	215									
HB	360	214	223	686	686	741	959			688	959	303 820
HB	361	214	223									252

	Intro-duced	Re-ferred	Re-ported	Readings			Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 362	214	224	1684	1684	1759	2184			1684	2184	1346 1867
HB 363	214	223	907	907	1055	1228	2376	2383		1229	526 1139
HB 364	214	223									696
HB 365	214	223									331 758
HB 366	214	223									220 227 228 1713
HB 367	221	223									
HB 368	221	223									2207
HB 369	221	223	861 2155	861	956	2703			864 868 2155 2385 2631	2704	780 1455 1526 2409
HB 370	221	223	673 1478	673	741	1766	2969	2978	676	1766	331 758 820 1669
HB 371	221	223									331 445
HB 372	221	223	474	475	515	693	1401	1407		693	252 553
HB 373	221	223	474	476	515	743	1405	1407	476	743	252 666
HB 374	221	223	474	476	515	599	1405	1407	476 477 532	599	252 522 543
HB 375	221	223	402	402	439	519	786	843	490	519	224 448
HB 376	221	223									252
HB 377	221	223	738	738	768	960	1774	1880		960	524 820
HB 378	221	223	534	539	543	1072	1999	3301	539 774 787 853 3195 3257	1072 3258	303 782 3211 3245 3246 3277
HB 379	223	230	596	596	692	957	2924	3217	597 787 3048	958 3048	323 428 549 745 782 964
HB 380	223	230									399
HB 381	223	230	1387	1390	1501	2213				2213	1010 2000
HB 382	228	230									
HB 383	228	230	394	396	424	600	2924	3217	396 853 965 3017	1071 3017	331 543 549 600 776
HB 384	228	230									
HB 385	228	230	448	448	515	742	1886	2213	452	742	303 553
HB 386	228	230	493	494	515	600	2924	2934	495	600	387 543
HB 387	228	230									331 790

	Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 388	228	230									334 443
HB 389	228	230									
HB 390	228	230									
HB 391	228	230	1684	1684	1759	2184	2963	2964		2184	1346 1867
HB 392	228	230	481	482	515	547	2214	2330		547	399
HB 393	230	271	666	668	741	847	1701	1759	668	848	444 526 782
HB 394	230	271	738 1455	738	768	2177			1075	2177	367 820 857 1235 1743
HB 395	230	271									
HB 396	230	271	738	739	768	1073	2383	2583		1073	493 871 1076
HB 397	252	272	1684	1685	1759	2374	2969	2978	2385	2374 2702	857 2305 2609
HB 398	252	271	680	680	741	959	2209	2964	681 774 775 2817	959 2817	399 820
HB 399	271	307									
HB 400	271	306									
HB 401	271	306	435	435	485	528				528	399 501
HB 402	271	306	501	501	526	769	2333	3302	510 626 2815	769 2815	331 666 2829 3127 3244
HB 403	271	306									
HB 404	271	306									
HB 405	271	306									
HB 406	271	328									
HB 407	302	307									399 501
HB 408	302	306									
HB 409	303	307									
HB 410	303	306									
HB 411	303	306	790	790	843	1156	2924	3125	797 3019	1156 3046	302 337 443 444 523 871
HB 412	303	307	1924	1924	2174	2810			2714 2715 2717	2810	493 2639
HB 413	303	306	737	737	768	960	2209	2934 3313	737 788 2709	960 2710 3303	553 745 820 3302 3312
HB 414	303	307									1162
HB 415	303	307	1081	1081	1155	1699	2924	3301	1107 3059 3276	1699 3088 3277	533 1553 3215 3244 3245 3277

		Intro-duced	Re-ferred	Re-ported	Readings			Senate Message	En-rolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	416	303	307	1535	1535	1581						1079 1868
HB	417	303	307									
HB	418	303	307									
HB	419	303	307									323 337 964
HB	420	306	328									
HB	421	306	328	871	871	1055	1403	2964	3125	884 3103	1403 3116	337 605 1221
HB	422	306	328	511	511	526	693	1774	1880		693	334 492 553
HB	423	306	328									443
HB	424	306	328	666	669	741	845	1667	2924	788 2711	845 2711	334 758
HB	425	318	328	475	477	515	547	2333	2340		547	367 526
HB	426	319	328	407	422	439	519	2330	2964	532 2709	545	338 448 519 532 2935
HB	427	319	328	696	696	741				698		331 367 820 1220
HB	428	319	328	2305 2646	2305	2373	2926			775 2314 2646	2926	331 2409 2589 2877
HB	429	319	328	1450	1450	1501	1764	2383	3248	1451 1703 2708 2709	1764 3203	758 1669 3125 3195 3196 3203 3211
HB	430	319	328	1011	1012	1155	1405			1012 1233	1406	337 696 1221
HB	431	328	333									
HB	432	328	333									
HB	433	328	333									442 666
HB	434	331	333									493
HB	435	331	333									
HB	436	331	333	1221	1221	1401	1764				1764	442 666 1669
HB	437	331	333									
HB	438	331	333	871	896	1055	1404	2964	3125	3097	1404 3102	364 605 1221
HB	439	331	333	475	477	515	743	1405	1407	479	744	364 367 666
HB	440	333	340	558 2327	558	692	2379	2964	3217	570 2353 2354 3091	2379 3092	443 501 737 2187 2305

		Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	441	333	340	760 2260	761	782	2379	2963	2964	768 2354	2379	443 501 820 2187 2305
HB	442	333	340	558	582	692	771	1774	1880		771	501 736
HB	443	337	340									443
HB	444	337	340	1723	1735	1759	2185			1738	2185	605 1867
HB	445	337	340	448	454	515	600	1774	1880		600	428 543
HB	446	337	341									
HB	447	337	341									2921
HB	448	337	341									
HB	449	340	368									493
HB	450	340	369	968	968	1055	1403	2969	2978	968 970	1404	492 522 532 533 964 1221 1407
HB	451	340	368									439 443 605
HB	452	340	368									
HB	453	340	368	2017	2017	2209				2199		493 2305 2589
HB	454	340	368									1776 1914
HB	455	340	368	501	510	526	694	1701	1759		694	444 553
HB	456	340	368	1168 2260	1208	1226	2380	2964 3048	3125	1212 1590 2260	2380	746 1669 1776 2305 2979
HB	457	340	368									
HB	458	367	368									758
HB	459	367	368									427
HB	460	367	368	1864	1864	1879	2336	2964	3256	1865 3218 3219	2336 3219	1598 2207
HB	461	367	369									533
HB	462	367	369									444
HB	463	368	399	595	595	692	844	2333	2340	753	844	524 758
HB	464	368	399	2365	2365	2373	2705				2705	1346 2409
HB	465	368	399	1387	1391	1501	1879	2963	2964	1391	1879	967 1669
HB	466	368	399	700	708	741	848	2817	2924		848	444 782
HB	467	392	398	1041	1041	1155	1582	2333	2340	1046	1582	605 1346
HB	468	392	399	971	971	1055	1230	2333	2964	2817	1230 2818	543 1139
HB	469	392	399	971	977	1055	1504	2376	2383	994 1414	1504	543 1221
HB	470	392	398									523 2357
HB	471	398	430	1478	1478	1581	2331	2924	2934	1771	2331	758 2207

	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 472	398	430									746
HB 473	398	430									
HB 474	398	430									543
HB 475	398	429	2113 2459	2152	2209	2700	2979	3277	2459 3093 3249	2700 3249	1773 2305 2578 3211 3245 3246 3255
HB 476	398	430									
HB 477	398	429	871	901	1055	1229	2924	3217	3018	1229 3018	533 1139
HB 478	427	429	1056	1056	1155	1406	2333	3217	1058 1060 3056	1406 3057	523 1221
HB 479	427	429	790	816	843	1156	2333	2340	817	1157	523 871
HB 480	427	430									758
HB 481	427	430									1867
HB 482	427	430									
HB 483	427	429	1358	1358	1501	1765	2983	3256	1369 1370 3186	1765 3186	758 1669
HB 484	427	430	582 1221	594	692	1586	2383	2964	2819	1586 2819	533 758 857 1454 3280
HB 485	427	429									745
HB 486	427	430	605	605	692	844	1999	2213		844	501 758
HB 487	427	430	2297	2297	2329				2301 2303 2385		523 549 1713 2921 2924
HB 488	427	429									
HB 489	428	430	1033	1034	1155	1506	2924	2934		1506	780 1076 1346 3280
HB 490	429	448	740	740	768						550 871
HB 491	429	447									
HB 492	429	448	605	605	692	958	1999	2934	853 2710	958 2710	501 820
HB 493	429	447	1041	1046	1155	1585	2964	2978	1047 1509 1510	1585	523 964 1454
HB 494	429	448									533
HB 495	429	448	1669	1670	1759				1671		758 2305
HB 496	444	447									790
HB 497	444	448	2249	2249	2329						1914 2372
HB 498	444	448	831	834	956	1226	2376	2383	835 1075	1227	746 1139
HB 499	444	448									
HB 500	444	447	831	837	956	1158	2214	2330		1158	522 746 1010
HB 501	444	448	842	842	956	1227	2333	2340		1227	746 1139

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB	502	444	447									
HB	503	444	448	1526	1526	1581	1881	2924 3048	3248	1511 1531 1704 1771 3185	1881 3185	857 1669 2982 2983
HB	504	444	448									
HB	505	444	448	553	553	692	957	1774	1880	788 854	957	522 533 549 820 1076 1773 3280
HB	506	444	448									
HB	507	444	447	1455	1455	1581	2182	2817	2924	1457 1893	2182	605 1867
HB	508	447	500	971	994	1055						543 1346
HB	509	447	500									
HB	510	447	501	1671	1673	1759	2185	2817	2924	1678 2199	2185	1162 1867
HB	511	447	500									
HB	512	447	500	971	995	1055				996 1161		543 1553
HB	513	447	500	1441	1441	1501	1879	2924	3217	1445 1771 1893 3046	1880 2211 3047	605 1669 2187
HB	514	447	500									605
HB	515	447	500	2461	2461	2698	2927			2479 2488 2632 2829 2830 2875		605 2788 2790 2927
HB	516	492	500	871	902	1055	1229				1229	526 1139
HB	517	492	500									
HB	518	492	501									1526
HB	519	492	500									
HB	520	492	500	686	688	741						543 758
HB	521	492	500									
HB	522	492	501									
HB	523	492	501									1712 1997
HB	524	493	500									1999
HB	525	493	500	1041	1048	1155	1503	2979	3300	1051 1055 1414 3180 3183 3256	1503 3256	522 523 549 550 964 1161 1221 1234 3204 3211 3214 3245 3246 3255
HB	526	493	500	1235	1240	1401	1701	2979	3248	3197	1701 3197	605 1553
HB	527	493	500	1221	1222	1401	1586				1586	605 1454

	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 528	493	500	1221	1222	1401	1587				1587	605 1454
HB 529	493	500									605 1235
HB 530	493	501									2187
HB 531	493	500	1823	1823	1879	2702	2969	2978	1831 2200 2220 2632	2702	780 2305
HB 532	493	500	837	839	956	1505	2703	2706	842	1505	780 1346
HB 533	493	500	1553	1557	1696	2183	2969	2978		2183	1346 1867
HB 534	493	500	2286	2286	2329				2296 2386 2393 2632 2717 2938		605 2372 2965
HB 535	493	501									533 549 745
HB 536	493	501	1543	1543	1581	2177	2969	2978	1545 1704	2177	1162 1743 3280
HB 537	493	500	1392	1392	1501	1884	2383	2978	1397 2819 2821	1884 2822	523 533 1743 1996
HB 538	500	525	1358	1370	1501	2213	2964	2978	1374 1893 2222 2246	2331 3305	758 2000 2214 3305
HB 539	500	525									
HB 540	500	525									
HB 541	500	525									734 758 1235
HB 542	500	525	1568	1568	1696	1886	2969	2978		1886	857 1743
HB 543	523	525	1070	1070	1155	1583	2333	2340	1070	1583	549 745 780 1454
HB 544	523	525	2042	2043	2209	2380	2963	2964		2381	745 1743 2305
HB 545	523	525	971	996	1055	2175	2964	3217	1004 1591 1594 1704 3058	2175 3058	543 1346
HB 546	523	525	1924	1927	2174	2336	2964	3248	3126	2336 3127	1526 2207
HB 547	523	525									
HB 548	523	525									550
HB 549	523	525	1776	1777	1879				1783 1791 2236 2355		857 2372
HB 550	523	525									
HB 551	523	525	1011	1012	1155	1585	2817	2924		1585	857 1454
HB 552	525	542									
HB 553	533	542									857

	Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 554	533	542									
HB 555	533	542	1212	1212	1226	1700	2330	2330	1416	1700	605 1553
HB 556	533	542									
HB 557	533	542									745
HB 558	533	542									
HB 559	533	542	1168	1170	1226	1582	2378	2383	1174 1416 1418 1506 1511	1582	871 1346
HB 560	533	542									
HB 561	542	552							776		
HB 562	542	552	1212	1213	1226	1502			1215	1502	746 1346
HB 563	542	553									
HB 564	549	553									604
HB 565	550	552	1060	1060	1155	1502	2333	2340	1065 1418	1502	758 1076 1221
HB 566	550	552	1212	1215	1226	1584	2964	3217	3057	1584 3058	790 1346
HB 567	550	552									1079
HB 568	550	553									1346
HB 569	550	553									
HB 570	550	552									1713
HB 571	550	552	1621	1621	1696	2180	2964	3301	1625 1707 1893 3116 3122 3259	2180 3259	1235 1867 3211 3243 3244 3258 3277
HB 572	550	552	1168	1174	1226	1883	2639	2706	1516	1883	746 1743
HB 573	550	553	1953	1953	2174	2337	2964	2978		2337	1235 2207
HB 574	550	552	903	905	1055	1404	2378		906 1233	1404	696 1221
HB 575	550	552									
HB 576	550	552									1162
HB 577	550	553									
HB 578	550	552	871	902	1055	1229	2214	2330		1230	745 746 1139
HB 579	550	552									
HB 580	550	552	2364	2364	2373	2811			2365	2811	696 745 2639
HB 581	552	665	968	970	1055						790 1553
HB 582	552	665	1168	1176	1226	2176			1207 1419 1591 1893	2176	780 1743
HB 583	552	665									745 789 855 1161 1162 1773
HB 584	552	665									1162
HB 585	552	665	820	830	956	1158	1701	1759	830	1158	758 1010

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	Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 586	552	665									
HB 587	552	665	1455	1457	1581	1766	2963	2964		1767	1079 1669
HB 588	552	665									
HB 589	604	665	820	830	956						758 1010 1158
HB 590	604	665									780 2733
HB 591	604	665									1598
HB 592	604	665									
HB 593	604	665									790
HB 594	604	665	1235	1235	1401	1587	2333	2340	1238 1240 1419 1513	1587	745 790 1161 1454 3280
HB 595	627	665	820	831	956	1230	2333	2340		1230	780 1010 1234
HB 596	627	665	1080	1080	1155	1585			1080	1585	745 780 1454 1712
HB 597	665	736									
HB 598	665	736	1346	1349	1501	1765	2376	2383	1352 1707	1765	871 1669
HB 599	665	736									
HB 600	665	736	2247	2248	2329				2223 2248		1867 2924
HB 601	695	736									
HB 602	695	736									746
HB 603	695	736									2247
HB 604	696	736									
HB 605	696	736	1924	1929	2174						1346 2409
HB 606	696	736	1684	1686	1759						1010 2372
HB 607	696	736									1526
HB 608	696	736									1776
HB 609	696	736									745 790 1407
HB 610	696	736	2017	2018	2209						745 857 1234 2409
HB 611	736	758	971	971	1055	1698			971 1233 1514	1699	780 1553
HB 612	736	758									1713
HB 613	736	757									
HB 614	736	757									
HB 615	745	757									
HB 616	745	758	1924	1930	2174						1526 2207
HB 617	745	758	2207	2207	2329	2704	2979	3125	2209 2718	2704	1220 2409
HB 618	745	758	2021	2021	2209	2925				2925	1776 2790
HB 619	745	757									
HB 620	745	758	1868	1868	2174				1869		1235 2409
HB 621	745	758									1079

		Introduced	Referred	Reported	Readings 1st	2nd	3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB	622	746	758	1944	1944	2174	2814	2983	3277	1952 2350 2386 2830 3187	2814 3195	778 855 857 964 2639
HB	623	746	758	1037	1037	1155	1503	2330	2330	1161	1504	782 1221 1776
HB	624	757	781									
HB	625	757	782									
HB	626	757	782									820
HB	627	757	781	2155	2156	2209	2582				2582	857 2372
HB	628	757	781									857
HB	629	757	781									1598
HB	630	757	781									
HB	631	757	781	1455	1457	1581	1767				1767	1079 1669
HB	632	757	781	1346	1355	1501	1701	2333	2340		1701	1079 1553
HB	633	757	781									
HB	634	757	782									857
HB	635	757	782									789 1076 1526 2187
HB	636	779	781	1397	1397	1501	1702			1894	2210	1010 1553 1702 1996
HB	637	779	781	2357	2357	2373	2705				2705	1713 2409
HB	638	779	781									
HB	639	779	782	2170	2170	2209	2582	2979	3248	2174 2386 3128	2582 3128	1235 2372
HB	640	779	781									
HB	641	779	781									
HB	642	779	781									1162
HB	643	779	781	2461	2488	2698				2386 2489		778 1526 2937
HB	644	779	782									1162
HB	645	779	782									1162
HB	646	779	782	1245	1245	1401	1587	2214	2330	1246	1588	1162 1454
HB	647	779	782									1235
HB	648	779	781	1221	1223	1401	1588	2983	3256 3313	1507 3125	1588 3126 3304	790 1407 1454 3304 3312
HB	649	779	781	1776 2260	1791	1879	2588	2983	3277	2261 2355 3196 3248	2588 3248	857 1913 2372 3204 3217 3245 3246 3255 3280
HB	650	780	782									
HB	651	780	781									780 855 1525 1713 1774

	Introduced	Referred	Reported	Readings			Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 652	781	819									2247
HB 653	781	819	1776	1816	1879	2215	2964	2978		2215	1162 2000
HB 654	781	820									
HB 655	781	820									1162
HB 656	781	820									
HB 657	789	820	2074	2074	2209	2704	2979	3256	2089 2223 2355 2633 3220 3243	2704 3243	1235 2372
HB 658	789	819	1478	1479	1581	1882	2378	2383	1507 1772	1882	857 1669
HB 659	789	819	1776	1817	1879	2215	2964	2978	1894	2215	857 2000
HB 660	789	820	1539	1539	1581	1767			1591 1707	1767	857 1669
HB 661	789	820	1551	1551	1581	2214			2200	2214	1077 1162 2000
HB 662	789	820									1077
HB 663	789	819									967
HB 664	789	819									
HB 665	789	820									1526 1996
HB 666	789	819									1162
HB 667	789	819	1868	1871	2174				2228		1162 2372
HB 668	789	820	1953	1954	2174	2337	2963	2964		2337	1526 2207 3280
HB 669	789	820	1543	1548	1581	2178	2969	2978	1548 1592	2178	967 1743 2995
HB 670	789	819	1723	1723	1759	2335			2228	2335	1079 2207
HB 671	790	820									
HB 672	790	820									
HB 673	790	819	1621	1628	1696						967 1712 1868
HB 674	790	819	1744	1744	1879	2216	2979	3125		2216	855 1162 2000 3280
HB 675	790	820									1235
HB 676	790	820	1535	1536	1581	2331			2200	2332	1079 2207
HB 677	790	820	1438	1439	1501	1759	2817	2924		1759	1162 1553
HB 678	790	820	1387	1391	1501						1010 1743
HB 679	790	819									
HB 680	790	819									
HB 681	790	820	1618	1618	1696	2334	2964	2978 3313	1619 1894 2201	2334 3306	857 2207 2995 3306 3312 3319
HB 682	819	871	1953	1954	2174	2579	2979	3248	1969 2387 3092	2579 2588 3092	1161 1419 2207 2588

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB 683	819	871	1478	1480	1581	1767	2376	2383		1767	1162 1669
HB 684	819	871	2249	2249	2329	2701			2633	2701	1914 2372
HB 685	819	871									1162 1713
HB 686	819	871	1382	1382	1501	1702	2964	3256	1592 3088	1702 3091	1155 1553
HB 687	819	871									1713
HB 688	819	871	2005	2005	2209	2375				2375	1713 2305
HB 689	819	871									
HB 690	855	871									
HB 691	855	871									
HB 692	855	871									
HB 693	855	871	1358	1377	1501	2181	2963	2964		2181	1162 1867
HB 694	856	871									1598
HB 695	856	871									
HB 696	856	871									1162
HB 697	856	871	1358	1380	1501	2181	2964	3217	1894 3055	2181 3055	1162 1867
HB 698	856	871									1526
HB 699	856	871									1419
HB 700	856	871									855 1079
HB 701	856	871	1478	1481	1581	2332					1162 2000 2332
HB 702	856	871									
HB 703	856	871	1478	1482	1581	2182	2969	2978	1483	2182	1079 1867
HB 704	856	871	1455	1458	1581	2334			2633 2634	2334 2581	1079 2207 2406
HB 705	856	871									
HB 706	856	871	1346	1355	1501	2176			1772 1894	2177	1162 1712 1743
HB 707	856	871									1773
HB 708	856	871	2807	2809	2924				2809		1713 2937
HB 709	856	871									
HB 710	856	871									
HB 711	856	871	1455	1459	1581	1884	2979	3248	3095	1884 3127	1079 1743
HB 712	856	871									
HB 713	856	871									
HB 714	856	871	1455	1470	1581	1884				1884	1079 1743
HB 715	856	871									1162
HB 716	856	871									
HB 717	856	871	1924	1932	2174	2383			1938 1939	2383	1162 2207
HB 718	856	871	1713	1713	1759	2334				2335	967 2207
HB 719	856	871									1162
HB 720	870	1010	1245	1257	1401	1698				1698	1162 1454
HB 721	870	1010									
HB 722	870	1010	1921	1921	2174	2332	2924	2934	2201 2350	2332	1598 1996 2207 2247

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	Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd					
HB 723	870	1010									1526
HB 724	870	1010	2113	2154	2209	2376	3048	3248	3199	2376 3199	1162 2305
HB 725	870	1010									
HB 726	870	1010									
HB 727	870	1010	2357	2358	2373						1407 1526 2369 2937
HB 728	870	1010									1776
HB 729	870	1010									1713 2357
HB 730	966	1010	1478	1483	1581	2178				2178	1162 1743
HB 731	966	1010	1478	1486	1581	1768	2383	2583		1768	1079 1669
HB 732	966	1010	2017	2018	2209	2376			2398	2376 2703	1526 2305 2609
HB 733	966	1010	1455	1471	1581	1885	2817	2924	1473	1885	1161 1743
HB 734	966	1010									
HB 735	966	1010									
HB 736	966	1010									
HB 737	966	1010									
HB 738	966	1010	1876	1876	2174	2337				2337	1526 2207
HB 739	967	1010									
HB 740	967	1010									
HB 741	967	1010									1161
HB 742	967	1010	2017	2020	2209	2584	2969	2978	2021	2584	1598 2372
HB 743	967	1010									
HB 744	967	1009	1553	1558	1696	2183	2924	3217	1559 1772 3019	2183 3019	1235 1867
HB 745	967	1010	1346	1356	1501	1765	2639			1765	1162 1669
HB 746	967	1010	2057	2065	2209	2376	3048	3277	2070 2071 2228 2231 3200	2378 3202	1161 1235 2187 2305
HB 747	967	1010									1526
HB 748	967	1010									1999
HB 749	967	1010	2000	2000	2209				2003		1598 2790
HB 750	967	1010									
HB 751	967	1010									1598
HB 752	967	1010									
HB 753	967	1010	1473	1473	1581	2334			1475 1507	2334	1079 2207
HB 754	967	1010									1598 1712
HB 755	967	1010									1713
HB 756	967	1010	1419	1429	1501	1766	2333	2340 3315	1430	1766 3305	1162 1669 3304 3315
HB 757	967	1010	2323	2323	2373	2705				2705	1526 2409
HB 758	967	1010	1539	1539	1581	1885	2964	3217	3054	1885 3054	1162 1743
HB 759	1008	1138									
HB 760	1008	1138									

		Introduced	Referred	Reported		Readings		Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd					
HB	761	1008	1138									1162
HB	762	1008	1138	1539 2764	1539	1581						1162 2000
HB	763	1008	1138									1162
HB	764	1008	1138									1162
HB	765	1008	1138	2589	2589	2698	2927			2589	2927	2187 2790
HB	766	1008	1138									
HB	767	1008	1138									1526
HB	768	1008	1138	1868	1871	2174	2581	2969	3217	1873 3095	2581 3096	1525 1712 1713 2372
HB	769	1008	1138									1419
HB	770	1008	1138	2042	2043	2209	2378	2979	3125	2046	2378	1220 2247 2305
HB	771	1008	1138	2021	2027	2209	2925			2028	2925	1419 1525 1773 1996 2790
HB	772	1009	1138									
HB	773	1009	1138									1776
HB	774	1009	1138									
HB	775	1009	1138									
HB	776	1009	1138									
HB	777	1009	1138	2169	2169	2209				2388 2398 2838		1713 2372 2965
HB	778	1009	1138									1162
HB	779	1009	1138	1744	1745	1879						1407 1419 1712 2187 2305 2995
HB	780	1009	1138									
HB	781	1009	1138	2187	2187	2209	2378			2188	2379	2305
HB	782	1009	1138									
HB	783	1009	1138	2365	2366	2373	2930			2367 2634 2718 2838	2931	1914 2790
HB	784	1009	1138									1776
HB	785	1009	1138	1631	1631	1696	2178	2964	3301	1651 1894 1902 1911 3197 3259	2179 3260	1235 1743 3217 3243 3245 3246 3277
HB	786	1009	1138									
HB	787	1078	1138									
HB	788	1078	1138	1568	1568	1696	1886	2979	3125		1886	1235 1743
HB	789	1078	1138									
HB	790	1078	1138									1999
HB	791	1078	1138	1478	1486	1581	2211	2969	2978	1488	2211	1162 1867
HB	792	1078	1138									
HB	793	1078	1138									1713
HB	794	1078	1138	2169	2169	2209				2170		1454 2790

	Introduced	Referred	Reported	Readings 1st	2nd	3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB 795	1078	1138									1598
HB 796	1078	1138									
HB 797	1078	1138									
HB 798	1078	1138									
HB 799	1078	1138	1553	1560	1696						1235 1868
HB 800	1078	1138									
HB 801	1078	1138	1995	1995	2174				1996		1713 2207 2357
HB 802	1078	1138	1553	1566	1696	2183	2817	2924	1566	2183	1235 1867
HB 803	1078	1138	2057	2071	2209	2925				2925	1076 1407 1526 2369 2790
HB 804	1078	1138									1235 1913
HB 805	1078	1138									1419
HB 806	1078	1138	1478	1488	1581	2700	2969	2978		2700	1162 2000
HB 807	1078	1138	1598	1598	1696	2210	2963	2964	1605 2201	2210	1235 1743
HB 808	1078	1220									
HB 809	1078	1138	1621	1629	1696	1887	2964	3217	1772 3054	2211 3055	1162 1743 1888 2191
HB 810	1079	1138	1987	1987	2174	2330	3048	3301	1990 2202 2203 2231 2236 2388 2399 3269 3272 3275	2579 3275	1162 2207 2330 2406
HB 811	1079	1138	2461	2491	2698						1162 2790
HB 812	1079	1138									1162
HB 813	1079	1138	1598	1606	1696	1886	2963	2964	1617	1887	1162 1743
HB 814	1079	1138	1840	1840	1879				1852		1419 1773 2409 2931
HB 815	1079	1138									1161 1776
HB 816	1079	1138	1776	1818	1879				1773 1904 1905 1906 1907 1908 1909 2203 2233 2234 2351 2352 2355		1161 1162 1774 1996 2187 2247 2406 2409 3280

HISTORY OF HOUSE BILLS

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Senate Message	Enrolled	Sub. or Amend	Voting	Other Action
HB	817	1079	1138									1162 2733
HB	818	1079	1138									1598
HB	819	1079	1138	2502	2518	2698	2927			2518	2917	1161 1419 2790
HB	820	1079	1138	1397	1398	1501	1763	2924	3256	3184	1763 3185	1162 1553 1773
HB	821	1079	1138	1723	1725	1759	2701			2355 2634	2701 2813	1419 2372 2786
HB	822	1079	1138									1526
HB	823	1079	1138									
HB	824	1079	1138									
HB	825	1079	1138									1407 1419

HISTORY OF HOUSE RESOLUTIONS

(Numbers refer to page of House Journal. The text of a resolution is given on first reading or adoption. Joint resolutions are designated HJR; concurrent resolutions are designated HCR.)
***Voting modifications appear at the member's name in the subject index.**

		Introduced	Referred	Reported	Readings			Adopted	Senate Message	Enrolled	Voting	Other Action
					1st	2nd	3rd					
HCR	1	14	28	49	49	89	111	111	447	514	111	35 95
HCR	2	14	29	750	750	768						53 169 443 533 778 1010 1076 1880 2247
HJR	3	14	28	52	52	89	111	112	2924	3300	111 3017 3053	35 95 3017(sa) 3052(scs)
HJR	4	14	28	163	165	192	220	220	2817	2924	220	35 165 199
HCR	5	14	28	63	65	95	114	114	768	778		46 99
HCR	6	14	29	281 1776	281	317	2337	2338				169 282(ca) 328 1162 1776(ca) 2207
HR	7	14						29				30
HCR	8	14	29	129	129	134	167	167	340	364	167	95 146
HR	9	10						10				
HR	10	10						14				
HJR	11	31		36	36	44	54	54	96	97	54	48
HR	12	34						35				
HJR	13	34	43									138 367
HR	14	47	102	315	315	329	363	363			363	252 333
HR	15	54						90				
HJR	16	56	92									129 331
HR	17	101	123	281	282	317	336	336				221 328
HR	18	115	122	182	185	209	218	218				134 212
HJR	19	122	133	315	315	329	364	364	1220	1227	364	252 333 339(fa)
HR	20	122	133					251				227
HCR	21	146						147	153	167		
HR	22	146	154									338
HR	23	152	154	402	402	439	694	694				195 231 553
HR	24	152	154	369	372	424		519				169 196 448
HR	25	177	199									331

		Introduced	Referred	Reported	Readings			Adopted	Senate Message	Enrolled	Voting	Other Action
					1st	2nd	3rd					
HR	26	214	223	680	683	741	957	957				526 745 758
HR	27	214	223	279	280	317	336	336				231 328
HR	28	223	230									
HR	29	228						250				
HR	30	306	328	513	513	526	600	601				439 514(ca) 543
HJR	31	368	399	1147	1147	1226						627 1743
HR	32	392	399									964 1914
HR	33	428	430	1011	1011	1155	1401	1401				780 1221
HJR	34	428	429	534	539	543	744	744	1696	1759	744	448 666
HR	35	429	448	684	685	741	848	848			848	533 685(ca) 782
HJR	36	492	501	1953	1969	2174	2338	2338			2338	1526 1996 2207 2369
HR	37	523	525	684	685	741	786	786			786	550 758
HR	38	523	525	2902	2902	2924	2979	2979				2589 2902(ca) 2937 2938(fa)
HCR	39	542	552	1921	1923	2174						696 745 2305
HR	40	549	553	2249	2250	2329	2585	2585				745 1914
HR	41	549	553					771				2372 695
HR	42	604	665	1037	1038	1155	1501	1501				736 782 1076 1221
HR	43	627	665	1148	1148	1226	1760	1760				1501 745 857
HR	44	695	736	1618	1619	1696	1887	1887				1553 1419 1743
HR	45	757	782									1887
HCR	46	757	781	1347	1357	1501	1760	1760	2376	2706	1760	1079 1553
HCR	47	779	781	1358	1380	1501	1760	1760	2333	2340	1760	1707(fa) 1162
HCR	48	779	782		854			961	1010	1220		1553 854
HCR	49	779	781	1347	1357	1501	1761	1761	2376	2383	1761	1079 1407 1525
HCR	50	781	820									1553 1713
HR	51	781	819									2733 1776

		Introduced	Referred	Reported	Readings			Adopted	Senate Message	Enrolled	Voting	Other Action
					1st	2nd	3rd					
HJR	52	819	871	1776	1820	1879	2333	2333	2964	2978	2333	1526 2000 2187
HCR	53	855	871									
HJR	54	855	871	1397	1399	1501	2217	2217			2217	1010 1516(fa) 1712 2000
HR	55	855	871									1713
HJR	56	855	871									
HCR	57	870	1010									1598
HJR	58	966	1010									
HJR	59	966	1010	1539	1543	1581						1162 1868
HR	60	966	1010									
HCR	61	966	1010	1618	1620	1696	1887	1887	2964	2978	1887	1235 1620(ca) 1712 1743
HJR	62	966	1010	1617	1617	1696	1888	1888	2924	3217	1888 3016	1162 1743 3016(sa)
HCR	63	966	1009	1553	1566	1696	1888	1888	2924	2934	1888	1235 1743 1996
HJR	64	966	1010									
HR	65	966	1010	1953	1970	2174	2338	2338				1713 2207
HCR	66	966	1010	2249	2250	2329	2585	2585	2969	2978		1076 1776 2219(fa) 2372
HCR	67	966	1010	1535	1536	1581						1235 2207
HCR	68	1008	1138									1235
HJR	69	1008	1138	1776	1821	1879	2216	2216			2216	1598 2000
HCR	70	1008	1138	1868 2646	1874	2174	2978	2979				1407 1713 1875(ca) 2247 2305 2829(fa) 2937
HCR	71	1009	1138									
HJR	72	1009	1138	1953	1970	2174	2338	2339	2963	2964	2339	1526 1996 2207
HCR	73	1009	1138	1744	1746	1879	2216	2216			2216	1419 2000
HCR	74	1077	1138									
HJR	75	1077	1138	1618	1620	1696						1234 1235 1867 1889(fa) 1996 2353(fa)
HR	76	1077	1138					2998				2408 2607
HJR	77	1077	1138									
HR	78	1077	1138	1953	1971	2174	2333	2333				1713 2207
HR	79	1077	1138									
HCR	80	1077	1138	1921	1924	2174	2339	2339	2969	2978	2339	1526 1712 2207

HISTORY OF HOUSE RESOLUTIONS

		Introduced	Referred	Reported		Readings		Adopted	Senate Message	Enrolled	Voting	Other Action
					1st	2nd	3rd					
HR	81	1077	1138	2589	2606	2698	2927					2247 2607(cs,ca) 2790 2927
HCR	82	1077	1138	1553	1567	1696	2185	2185	2924	2934		1419 1568(ca) 1867
HR	83	1454						1588				
HR	84	1597	1669									
HR	85	1598	1669	2500	2500	2698	2928	2928			2928	1914 2790 2829(fa)
HR	86	1598	1669	2500	2501	2698	2928	2928				1914 2790
HR	87	1774						1775				1773 1775
HR	88	1914	1999					2190				
HR	89	1914	1999									2357
HR	90	1914	1999	2673	2698	2810	2965	2966				2187 2924
HR	91	1914	1999	2500	2501	2698	2928	2928				2357 2790
HR	92	1999						2189				
HR	93	2187	2207	2733	2733	2810	2966	2966				2357 2924
HR	94	2187	2207									
HR	95	2247	2305									
HR	96	2357						2369				
HR	97	2357	2408									
HR	98	2357	2408									
HR	99	2408						2608				
HR	100	2408						2608				
HR	101	2408						2608				
HR	102	2589						2609				
HR	103	2732						2787				2921
HR	104	2732						2787				
HR	105	2733										
HR	106	2876						2993				
HR	107	2876						3215				
HR	108	2877						2998				
HR	109	2877						2906				2906
HR	110	2877						2996				
HR	111	2936						2997				
HR	112	2936										
HR	113	2936						2995				
HR	114	2964						3214				
HR	115	2992						2993				
HR	116	2992						2997				
HR	117	2999						3262				
HR	118	3016						3124				3124
HR	119	3205						3205				
HR	120	3263						3263				
HR	121	3280						3280				3281
HR	122	3277						3277	3301		3277	
HR	123	3307						3319				
HR	124	3308						3308				
HR	125	3308						3315				
HR	126	3308						3309				
HR	127	3308						3309				
HR	128	3310						3310				
HR	129	3310						3316				
HR	130	3312						3319				
HR	131	3312						3317				
HR	132	3312						3317				

HISTORY OF SENATE BILLS

(Number refer to page of House Journal. The text of the bill is given on first reading.)
*Voting modifications appear at the member's name in the subject index.

		Senate Message	Referred	Reported		Readings		Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd				
SB	2	368	399	1387	1391	1501	2217	2964	1909 2203 2204 2354 2355 2392 2635	2583	746 2000 2217 2406
SB	3	137	146	2502	2502	2698			2718 2732		2357 2937
SB	4	230	271	738	740	768	1157	1227		1157	367 871
SB	5	133	146	534	540	543	742	778		742	303 553
SB	7	2378	2408	2909	2909	2924	2987	3301	2914 3252	2987 3253	2733 2815 2937 3195 3244 3245
SB	8	223	230	475	479	515	598	692		598	367 526
SB	10	525	542	1535	1537	1581					1079 2207
SB	11	111	122	553	557	692	960	1071		961	533 820
SB	13	199	214	430	431	485	529	546	304 491 521	530	387 501
SB	14	318	328	430	433	485	598	692		598	399 526
SB	17	96	102	2249	2251	2329	2706	2815		2706	1914 2409
SB	18	525	542	2042	2049	2209	2580	2810	2392	2580	855 1220 2305
SB	20	525	542	1148	1148	1226	1888	2180		1888	746 1743
SB	21	111	122	481	483	515	547	692		547	399 526
SB	25	214	223	435	435	485	744	778		744	399 666
SB	27	133	146	352	360	387	442	487		442	215 399
SB	28	302	306	971 2519	1004	1055			1005 2519		367 1346 2357
SB	29	223	230	2639	2639	2810			2640		1999
SB	31	271	306	2000	2003	2209	2931	2964		2931	367 2639
SB	32	46	49	407	423	439	1696	2174	521	1696	338 448
SB	33	544	553	1397	1400	1501	1761	1881		1761	1010 1553
SB	35	447	500	907	908	1055	1582	2180	956 965	1582	758 1221
SB	36	1401	1454								2733
SB	37	153	178								2247

		Senate Message	Re-ferred	Re-ported		Readings		En-rolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd				
SB	38	153	178	2155	2157	2209			2405		428 2790
SB	39	525	542	1713	1714	1759	2217	2810	1715	2217	1526 2000
SB	41	97	101	309	311	329	441	544	314	441	224 369
SB	42	2924	2964								
SB	43	230	272								2357
SB	44	318	328	688	689	741	1401	1881	965 1233	1401	493 820
SB	46	111	123	281	282	317	515			515	221 369
SB	47	111	123	392	394	424	742	1071	522 601	742	221 448
SB	48	447	501	712	712	742	846	1160	723	847	533 758
SB	51	214	223	2528	2528	2698	2929	2964		2929	2357 2790
SB	52	133	146	1358	1381	1501	1762	1881		1762	1162 1553
SB	53	96	101	307	308	329	956	1227	391 753 854	956	221 341
SB	54	271	307	511 1040	512	526			1041 1708 2939 2999		341 737 1669
SB	55	318	328								
SB	56	318	328	1007	1007	1056	1584	1698		1584	780 1346
SB	57	122	133	284	294	317	424	447	366	424	212 341
SB	61	137	146	475	479	515	601	692		601	221 543
SB	62	194	199								367
SB	63	111	122	279	280	317	336	398	281	336	215 328
SB	65	368	399	1473	1475	1581					493 1669 2247
SB	66	177	199	2491	2492	2698					1713 2937
SB	67	214	223	481	483	515	783	1071	484	783	399 553
SB	70	271	307								
SB	72	782	820	1245	1245	1401	1768	1881		1768	1162 1669
SB	73	214	223	457	473	515	548	692		548	428 526
SB	74	153	178	2155	2160	2209	2965	3301	2406 2718 2843 2846 2939 3264	2965 3264	543 2639 3125 3245 3247
SB	75	223	230	1033	1036	1155	1761	2212	1037 1592 1711	1761	524 1454
SB	77	500	525	2364	2365	2373	2928	3048	2365 2838	2928	1598 2639
SB	78	1867	1999								
SB	79	398	430								1526

		Senate Message	Re-ferred	Re-ported	Readings 1st	2nd	3rd	En-rolled	Sub. or Amend	Voting	Other Action
SB	82	177	199	971	1005	1055	2990		1006	2991	428 1553 3195 3245 3246
SB	83	214	223								
SB	93	1886	2247						2839 2939		2789 2937
SB	94	302	306	2673	2674	2810	2971	3247	2940	2971	367 2924
SB	96	230	271	2155	2161	2209	2933		2635 2721 2849 2852	2934	493 2409 2969 3245 3247 3253
SB	97	271	306	2155	2161	2209	2932		2163 2840 2855 2856 2863	2932	543 2790 3125
SB	100	500	525	903	906	1055	1583	1698		1583	780 1346
SB	103	1867	1999	2589	2595	2698	2980	3253 3315	2600 2722 2840 2940 2941 2999 3004	2981 3313	2187 2937 3311 3312 3313
SB	104	340	368	605	607	692	771	783		772	399 736
SB	107	340	369	2249	2252	2329	2707	2815		2707	1776 2409
SB	109	870	1010	2807	2807	2924					2357
SB	111	2383	2639								2733
SB	115	230	271	2673	2674	2810	2969	3048		2969	367 2924
SB	116	271	306	2673	2674	2810	2970	3048		2970	367 2924
SB	117	230	271	2673	2675	2810	2970	3048		2970	367 2924
SB	118	500	525								696
SB	119	544	552	1921	1922	2174	2373	2700		2373	696 2207
SB	123	2209	2639								2733
SB	127	525	542	2658	2658	2810	2980	3048		2980	2408 2607 2937
SB	129	1886	1999	2656	2656	2810					2247
SB	131	1667	1669	2249	2255	2329	2707	2815		2707	1776 2409
SB	133	340	368	553	557	692	784	1403	558 756 788	784 847	533 736 788 789
SB	135	500	525	1953	1971	2174	2579	2964 3315	2241	2579 3314	857 2305 3312 3313
SB	136	271	306	2155	2164	2209					543 2790
SB	137	768	782	1387	1392	1501			2244		1010 2000 2373

		Senate Message	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	En-rolled	Sub. or Amend	Voting	Other Action
SB	138	333	341	2589	2591	2698	2967	3247	2593 2722 2723 2841 2941 2942	2968	1914 2790
SB	140	692	736								2409 2607
SB	141	340	368	553	556	692	846	1071	694	846	533 758
SB	142	768	782								
SB	144	1220	1346	2519	2519	2698	2966	3301	2526 2942 3265	2966 3268	1776 2924 3125 3202 3204 3217
SB	145	230	271	1875	1875	2174	2373		2353	2374	302 1162 2207 2701 3261 3263
SB	146	2214	2372								2409 2607
SB	148	1743	1867	2673	2675	2810	2971	3247	2680	2971	2187 2924
SB	149	2330	2372	2639	2640	2810	2980		2640 2724 2841 3004	2980	2409 2607 2937
SB	150	782	820	2249	2256	2329	2708	2815		2708	1776 2409
SB	151	500	525	1382	1385	1501	2182	2213		2182	780 1553
SB	152	1401	1454	2528	2529	2698	2966	3048	2945	2966	1776 2924
SB	153	782	820								1776
SB	154	1999	2207								
SB	155	2209	2305	2502	2505	2698					2357
SB	159	368	399	1382	1387	1501	1762	1881		1762	1155 1553
SB	160	552	665	1713	1715	1759	2335	2380		2335	1526 2000
SB	161	368	399	837	837	956	1230	1760	838	1231	780 1139
SB	162	552	665	2673	2680	2810	2984	3199		2984	780 2937
SB	163	368	399	837	838	956	1696	1760	838	1696	780 1139
SB	164	552	665	2519	2526	2698			2527		1526
SB	165	870	1010	1691	1691	1759	2186	2213		2186	1162 1867
SB	166	333	341								857
SB	167	870	1010	2528	2530	2698	2966	3048		2967	1914 2924
SB	168	1667	1669	1953	1974	2174	2580	2964	1979 2355	2580	1713 2207
SB	169	544	553	1618	1621	1696	1889	2180	1621	1889	857 1743
SB	170	525	542	2528	2533	2698	2929	2964		2929	1776 2790
SB	171	429	448	605	611	692	958	1228	624	958	501 782

	Senate Message	Re-ferred	Re-ported		Readings		En-rolled	Sub. or Amend	Voting	Other Action
				1st	2nd	3rd				
SB 172	1401	1454	2528	2534	2698	2967	3048		2967	1776 2924
SB 173	782	819	2673	2682	2810	2976	3301	2688 2724 2841	2976 3278	1162 2924 3125 3261 3263 3278
SB 174	1401	1454	2528	2545	2698	2967	3048		2967	1776 2924
SB 175	1010	1138	1953	1979	2174	2813	2926	2191 2245	2813	1235 2207
SB 177	736	758	1953	1984	2174	2339	2380	1592	2340	857 2207
SB 180	447	501	1419	1431	1501	1880	3247	1772	1880 3204	1162 1669 2214 3204
SB 184	1405	1454	2807	2807	2924					1713
SB 186	1455	1553	2807	2807	2924					2187 2357
SB 190	525	542	1033	1033	1155	1879	3301	1033 1517 1593	1879 3218	758 1454 2816 3202 3204 3217 3218
SB 191	525	542	1432	1432	1501	1768	2212	1434 1711	1769	1162 1669
SB 193	782	820	2528	2547	2698	2931	2964		2931	1914 2790
SB 196	544	553								1713
SB 197	1220	1346	2021	2028	2209	2586	2964	2029	2586	1776 2372
SB 198	1401	1454	2021	2029	2209					1776 2372
SB 200	429	447	737	737	768	1072	1160		1072	605 820
SB 202	447	500	1358	1381	1501	1762	1881		1762	1162 1553
SB 203	500	525	2155	2165	2209	2935	2964	2725 2945	2935	543 2639
SB 204	544	553	2042	2049	2209	2586	2810		2586	1346 2372
SB 206	1138	1220	2155	2166	2209	2813	2925		2813	1713 2639
SB 207	525	542	1713	1721	1759	2585	2810		2585	746 2372
SB 208	429	448								
SB 211	786	819	2673	2690	2810			2841		1162
SB 213	500	525	1535	1538	1581	1889	2180		1889	790 1743
SB 216	768	781	1744 2646	1746	1879	2984	3253	2654	2984	1419 2305 2409 2607 2937
SB 218	2214	2305	2764	2764	2810	2971	3048	2867 2945 2946	2972	2409 2607 2924
SB 219	1220	1346	1744	1751	1879	2373	2700		2373	1526 2207

		Senate Message	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	En-rolled	Sub. or Amend	Voting	Other Action
SB	220	1455	1553	2005	2005	2209	2706	2964	2637	2707	1713 2372
SB	222	1138	1220	2042	2051	2209	2381	2700		2381	1346 2305
SB	223	1502	1553	2658	2658	2810	2990		2663 2842 2843 2946 2947 3013 3211 3212 3213 3214		2408 2607 2937 2990
SB	224	429	447	666	670	741	847	1071		847	526 758
SB	226	1220	1346	2519	2527	2698	2928	2964		2929	1776 2790
SB	228	552	665	2673	2691	2810	2972	3048		2972	780 2924
SB	229	768	782	2042	2051	2209	2382	2700		2382	1346 2305
SB	230	2209	2305	2639	2641	2810	2972		2644	2972	2373 2924
SB	231	2378	2408	2792	2792	2924	2987	3199		2987	2639 2937
SB	233	782	820	1953	1984	2174	2381	2700	2245	2381	1419 2305
SB	234	552	665	1713	1721	1759	2585		1909 2204 2245	2586 3265	1526 2372 2817 3051 3211 3246 3264
SB	235	1401	1454	2021	2034	2209	2382	2926	2392	2811	1776 2305 2382
SB	237	525	542	1473	1476	1581	1769	1881		1769	696 1669
SB	241	782	819	1744	1752	1879	2339	2810	1759	2339	1598 2207
SB	243	1220	1346	2879	2879	2924	2983	3253	2867 2890 2947 2948 2949	2984	1776 2937
SB	247	1696	1743	2327	2327	2373	2707	2815		2708	1867 2409
SB	248	552	665	2656	2657	2810	2985	3199		2985	1776 2937
SB	250	870	1010	2155	2168	2209	2587	2964	2246 2392	2587	1419 2372
SB	252	1867	1999	2658	2663	2810	2973	3301	2406 2867 2870 2949 2952	2974 3265	2247 2924 3125
SB	255	768	782	2057	2072	2209	2382	2700		2382	1235 2305
SB	256	782	820	2920	2920	2924	2988	3199		2988	2589 2937
SB	261	768	781	1455	1473	1581	2210	2332		2210	857 1743

		Senate Message	Re-ferred	Re-ported	Readings 1st	2nd	3rd	En-rolled	Sub. or Amend	Voting	Other Action
SB	264	1220	1346	2491	2492	2698	2968	3301	2873	2968 3278	1713 2924 3125 3243 3244 3247 3253 3278
SB	266	782	820	1924	1939	2174	2381	2700		2381	1162 2305
SB	267	2330	2372	2764	2777	2810	2974	3048	2952 3014	2974	2589 2924
SB	268	1138	1220	2672	2672	2810			2874 2952 2953		1867
SB	269	1138	1220	2042	2052	2209	2811	2926	2246	2811	1346 2409
SB	271	782	820	1914	1914	2174	2340	2700	1918	2340	964 1162 2207
SB	273	1999	2207	2673	2692	2810	2989	3199		2989	2357 2963
SB	274	1138	1161	1568	1569	1696	2179	2380	1593 1773 1910	2179	1220 1743
SB	277	782	820	2249	2257	2329			2406 2637		1776 2409
SB	278	782	820	1419	1432	1501	1763	1881		1763	1162 1553
SB	279	1502	1553	2745	2745	2810	2981	3301	2753 2874 2875 2954 2955 3014 3015 3250	2982 3251	1776 2924 3125 3202 3204 3217 3244
SB	280	782	820	2519	2528	2698	2968	3048		2968	1526 2924
SB	281	782	820	2519	2528	2698	2969			2969	1526 2924
SB	282	782	820	2733	2734	2810	2973	3247	2734	2973	2408 2607 2924
SB	283	782	819	2005	2008	2209	2383	2815	2017	2383	1079 2305
SB	284	1138	1220	2528	2548	2698	2934	3199	2859	2935	2357 2790
SB	285	782	819	1876	1878	2174	2340	2380		2340 2355	1526 2207
SB	287	1867	1999	2902	2902	2924			2955		2408 2589
SB	288	1696	1743								1999
SB	289	1743	1867	2639	2644	2810	2985	3199		2985	1999 2937
SB	291	1774	1867	2249	2258	2329	2814	2926	2246 2638	2814	1914 2409
SB	293	768	781	1549	1549	1581	2212	2810	1550 1712 2204 2205	2212	1079 2000
SB	294	1667	1669								1743

	Senate Message	Re-ferred	Re-ported	1st	Readings 2nd	3rd	En-rolled	Sub. or Amend	Voting	Other Action
SB 296	1138	1220	2021 2936	2034	2209	2989	3247	2042 2936	2990	1776 2790 2877 2963
SB 300	1999	2207	2502	2506	2698	2929		2518 2860	2930	2357 2790
SB 302	1774	1867	2673	2693	2810	2975	3048		2975	2187 2924
SB 308	1667	1669	2658	2665	2810	2990				2247 2937 2990
SB 312	870	1010								1526
SB 313	1455	1553	2790	2790	2924					1867
SB 315	1138	1220	2325	2325	2373	2708	2815		2708	1914 2409
SB 316	1701	1743	2491	2493	2698	2930	3301	2860 3260	2930 3261	2357 2790 3125 3244 3246 3260
SB 317	1743	1867								2357
SB 320	1401	1454								
SB 327	1743	1867	2528	2576	2698	2932	2964		2933	1914 2790
SB 329	1867	2247	2658	2666	2810	2975	3048	2861	2975	2407 2409 2924
SB 333	2214	2305								
SB 339	1405	1454	2491	2498	2698	2933	2964		2933	1713 2790
SB 340	2214	2305	2733	2734	2810	2975	3301	2861 2956	2976 3253	2357 2924 3125 3245 3253
SB 341	1401	1454	2323	2324	2373	2979	3048	2638	2979	1713 2937
SB 342	1743	1867	2877	2877	2924					2409 2607
SB 345	2330	2372	2733	2734	2810			2862 2958		2408 2607
SB 346	2330	2372								
SB 347	1455	1553								
SB 348	1774	1867	2357	2363	2373	2934	3301	2726 2731 2862 2958 3254	2934 3255	1999 2639 2922 3125 3204 3244 3247 3253
SB 352	1701	1743	2499	2499	2698	2965	3247	2959	2965	1776 2790
SB 353	2333	2372	2902	2903	2924	2988	3199		2988	2589 2937
SB 354	1774	1867	2639	2644	2810					1999
SB 356	2378	2408	2936	2936	2964			3015		2733
SB 364	1886	1999	2673	2694	2810			2695		2247
SB 366	1701	1743	2639	2645	2810	2977	3199	2645	2977	1914 2924
SB 367	2969	3016								
SB 369	2333	2372								
SB 372	2209	2305	2658	2668	2810	2985	3199		2985	2357 2937

		Senate Message	Referred	Reported		Readings		Enrolled	Sub. or Amend	Voting	Other Action
					1st	2nd	3rd				
SB	374	2333	2372	2658	2669	2810	2977	3048	2726 2960	2977	2607 2924
SB	376	1667	1669	2672	2673	2810					1776
SB	380	2330	2372	2764	2778	2810	2977	3048		2977	2589 2924
SB	382	1701	1743	2902	2904	2924	2988	3247	2960	2988	2187 2937
SB	383	2333	2372	2639	2646	2810	2986	3199		2986	2409 2607 2937
SB	385	2330	2372	2764	2779	2810	2986	3199		2986	2937
SB	386	1774	1867	2327	2327	2373	2812	2926		2812	1999 2409
SB	390	1701	1743								1914
SB	392	1774	1867	2673	2696	2810	2978	3247	2697 2962	2978	2187 2924
SB	393	1774	1867	2327	2328	2373	2812	2926		2812	2187 2409
SB	394	1867	1999	2327	2328	2373	2812	2926		2812	1999 2408 2409
SB	396	2209	2305	2764	2780	2810	2986	3199	2723	2986	2357 2937
SB	397	2209	2305	2764	2786	2810	2987	3199		2987	2357 2937
SB	398	1701	1743								2357
SB	400	1701	1743								2357
SB	402	2330	2372	2790	2791	2924	2989	3247	2792	2989	2409 2937
SB	404	2330	2372								2408 2607

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(Numbers refer to page of House Journal. The text of a resolution is given on first reading or adoption.
Joint Resolutions are designated SJR; concurrent resolutions are designated SCR.)
*Voting modifications appear at the member's name in the subject index.

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					1st	2nd	3rd	Adopted		Voting	
SJR	1	223	230	434	434	485	548	548	692	548	399 526
SCR	7	96						98			96
SJR	10	230	271	700 2259	711	741	2587	2588		2587	524 820 1914 2259(cs) 2260(ca) 2372 2392(fa) 2816
SJR	15	340	369	513	514	526	744	745	778	745	439 666
SCR	20	1220	1346								
SCR	23	426						426			
SCR	24	500	525								2589
SCR	26	525	542								2589
SJR	27	768	782	1691	1695	1759	2384	2384	2700	2384	1162 2305
SCR	34	1667	1669								
SCR	37	736	758								
SJR	38	1220	1346	2000	2004	2209	2587	2587	2810		1526 2372
SJR	41	1401	1454	2249	2259	2329	2712	2712	2815 3315	2713 3314	1776 2409 3312 3314
SJR	45	1701	1743	2589	2594	2698	2973	2973	3048	2973	2357 2790
SCR	50	1774	1867	2528	2577	2698	2933	2933	2964	2933	2357 2790
SCR	98	3315						3320			

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